



magnetic resources^{NL}

ABN 34 121 370 232

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Annual General Meeting to be held at the
Office of the Company,
Level 1, 44A Kings Park Road
West Perth WA 6005
on
Monday 30 November 2020
commencing at 10 am (WST)**

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Magnetic Resources NL will be held at the Office of the Company, First Floor, 44A Kings Park Road, West Perth, WA 6005 on Monday 30 November 2020 commencing at 10 am (WST).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Directors' and auditor's reports for the financial year ending 30 June 2020.

2. Adoption of Remuneration Report (Resolution 1)

To consider and if thought fit, to pass, with or without amendment the following **advisory only resolution**:

"That, for the purposes 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 ending 30 June 2020."

Voting Prohibition Statement: The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- a member of the key management personnel ("KMP") as disclosed in the Remuneration Report;
- a closely related party of those persons,

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

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

Generally speaking, the Company's KMP are people having authority and responsibility for planning, controlling and directing the Company's activities in a direct or indirect manner. KMP's include the Directors, and senior executives of the Company.

A closely related party of KMP generally speaking means a spouse, child, or dependent of the KMP, or a child or dependant of the spouse of the KMP. It includes anyone else who is a member of the KMP's family who would influence or may be expected to influence the KMP in relation to his or her dealings with the Company. It also includes any company which is controlled by the KMP, and includes any other people prescribed as closely related parties by ASIC in the regulations to the Corporations Act (none are prescribed at this time).

3. Re-election of Director (Resolution 2)

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

"That, in accordance with the Company's Constitution and for all other purposes, Mr Eric Lim, who retires by rotation under section 73.1 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director of the Company".

4. Re-election of Director (Resolution 3)

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

“That, in accordance with the Company’s Constitution and for all other purposes, Mr Hian Siang Chan, who having been appointed on 23 October 2020 under section 69.2 of the Company’s constitution retires and, being eligible, offers himself for re-election, is re-elected as a Director of the Company.”

SPECIAL BUSINESS

5. Approval of 10% Placement Facility (Resolution 4)

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

“That approval is given for the Company to have the additional capacity (ie, 10% Placement Capacity) to issue Equity Securities under Listing Rule 7.1A, for the period specified in Listing Rule 7.1A.1 and in accordance with the formula prescribed in Listing Rule 7.1A.2.”

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is expected to participate in an issue of Shares under the 10% Placement Capacity or any person who may obtain a material benefit as a result of an issue of Shares under the 10% Placement Capacity, except a benefit solely by reason of being a holder of ordinary securities in the Company; or an associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney on the resolution in that way;
- it is cast by the chair of the meeting as proxy or attorney for a person who is entitled to vote, in accordance with the direction given to the to vote on the resolution as the chair decides; or
- it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- the beneficiary provides written confirmation to the holder that they are not excluded from voting, on the resolution; and
- the holder votes on the resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Ratification of Prior issue of Shares (Resolution 5)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 200,000 Shares to the vendors of the Nicholson Well project on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 5 by any person who participated in the issue the subject of Resolution 5 and any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Ratification of Prior issue of Shares (Resolution 6)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 300,000 Shares to the vendors of the Lady Julie project on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue the subject of Resolution 6 and any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

8. Ratification of Prior issue of Shares (Resolution 7)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 4,864,181 Shares to unrelated vendors as part of a placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue the subject of Resolution 7 and any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

9. Ratification of Prior issue of Shares (Resolution 8)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 250,000 Shares to the vendors of the Homeward Bound South project on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 8 by any person who participated in the issue the subject of Resolution 8 and any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. Ratification of Prior issue of Shares (Resolution 9)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 5,143,659 Shares to unrelated vendors as part of a placement on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on Resolution 9 by any person who participated in the issue the subject of Resolution 9 and any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

11. Approval for the Issue of 1,800,000 December 2024 Options to George Sakalidis (Resolution 10)

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

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act, section 195(4) of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to George Sakalidis (or his nominee) of 1,800,000 options expiring 31 December 2024, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 10 by George Sakalidis and any of his Associates. However, the Company must not disregard a vote if it is cast by a person (who is not a member of the Company’s Key Management Personnel (“**KMP**”)) 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this Resolution. The Chairman, as one of the KMPs of the Company, is not permitted to cast any votes in respect of this Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

For the purpose of section 224 of the Corporations Act a vote on Resolution 9 must not be cast by or on behalf of George Sakalidis being the Related Party to whom the resolution would permit a financial benefit to be given, and his associates.

12. Approval for the Issue of 900,000 December 2024 Options to Eric Lim (Resolution 11)

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

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act, section 195(4) of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to Eric Lim (or his nominee) of 900,000 options expiring 31 December 2024, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 11 by Eric Lim and any of his Associates. However, the Company must not disregard a vote if it is cast by a person (who is not a member of the Company’s Key Management Personnel (“**KMP**”)) 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this Resolution. The Chairman, as one of the KMPs of the Company, is not permitted to cast any

votes in respect of this Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

For the purpose of section 224 of the Corporations Act a vote on Resolution 10 must not be cast by or on behalf of Eric Lim being the Related Party to whom the resolution would permit a financial benefit to be given, and his associates.

13. Approval for the Issue of 900,000 December 2024 Options to Julien Sanderson (Resolution 12)

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

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act, section 195(4) of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to Julien Sanderson (or his nominee) of 900,000 options expiring 31 December 2024, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 12 by Julien Sanderson and any of his Associates. However, the Company must not disregard a vote if it is cast by a person (who is not a member of the Company’s Key Management Personnel (“KMP”)) 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this Resolution. The Chairman, as one of the KMPs of the Company, is not permitted to cast any votes in respect of this Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

For the purpose of section 224 of the Corporations Act a vote on Resolution 11 must not be cast by or on behalf of Julien Sanderson being the Related Party to whom the resolution would permit a financial benefit to be given, and his associates.

14. Approval for the Issue of 1,250,000 December 2024 Option to staff and contractors (Resolution 13)

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 7.1 and for all other purposes, the Company be authorised to issue up to 1,250,000 options expiring 31 December 2024 to unrelated staff and contractors on the terms and conditions as set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 7.3 the Company will disregard any votes cast on Resolution 13 by a person and any of their associates who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company must not disregard a vote if it 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 a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

15. Approval of New Constitution (Resolution 14)

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

"That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately."

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (c) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (d) a proxy need not be a member of the Company;
- (e) a Shareholder may appoint a body corporate or an individual as its proxy;
- (f) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (g) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its Share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

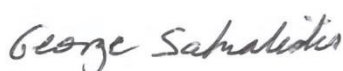
Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4pm (WST) on 28 November 2020. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

Enquiries

Shareholders may contact the Company Secretary, Ben Donovan, on (+61 8) 9226 1777 if they have any queries in respect of the matters set out in these documents.

By Order of the Board of Directors



George Sakalidis
Managing Director
Dated this 26 October 2020

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Item 1 - Financial Statements and Reports

The Corporations Act requires the reports of the Directors and of the Company's auditor and the annual financial report, including the financial statements, to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given an opportunity to raise questions on the reports and statements at the Annual General Meeting.

In accordance with the Corporations Act, the Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.magres.com.au.

Item 2 – Adoption of Remuneration Report (Resolution 1)

The Remuneration Report is set out in the Directors Report in the Company's Annual Report for the period ending 30 June 2020. This report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. This resolution seeks this approval. However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that this resolution is an "advisory only" resolution which does not bind the Directors of the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under reforms to the Corporations Act, if 25% or more of the vote on this resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action (if any) has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the new legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to Resolution 1. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then at the Company's next annual general meeting, an extra resolution must be put to the meeting proposing that another general meeting should be held within 90 days of the second annual

general meeting. A simple majority of over 50% of the votes cast at that annual general meeting is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the annual general meeting, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the “two strikes rule” and the “spill resolution” to be put to the “spill meeting”.

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the managing director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by Shareholders at that annual general meeting. The ramifications of this mechanism being invoked include that the Company would not be in compliance with its corporate governance policies as a result of not having three independent directors on the Company’s audit committee or any other committees requiring independent directors.

At the Company’s 2019 Annual General Meeting, there were 22,222 votes cast against the 2019 Remuneration Report, which is less than 25% of the votes cast at the meeting and therefore the two strikes process was not invoked at the 2019 Annual General Meeting.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report.

Item 3 – Re-election of Director (Resolution 2)

Clause 73.1 of the Constitution and Listing Rule 14.4 provides that at every Annual General Meeting, one third of the directors must retire, but are eligible for re-election at that Annual General Meeting.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or have been longest in office since their appointment or last re-appointment, or, if the Directors have been in office for an equal length of time, by agreement.

The requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

The Company currently has three Directors and accordingly one must retire.

Accordingly, Mr Eric Lim retires by rotation at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Lim’s qualifications and experience is contained in the 2020 Annual Report.

Mr Lim is currently the Managing Director, Head - Entity Reporting and Control with United Overseas Bank Limited. Prior to joining UOB, he has held positions with Standard Chartered Bank, OCBC Bank, General Electric and a number of executive positions in the US and Asia Pacific region including Finance Director of GE Money Japan and Global Financial Planning and Analyst for GE Commercial Finance (Healthcare Financial Services). He has also had extensive audit experience with GE Corporate Audit leading a variety of engagements ranging from process to financial audits. Eric is qualified with an MBA and a Bachelor of Accounting degree. Mr Lim has been a director since August 2011.

If re-elected, the Board considers Mr Lim to be an independent Director

The Board has reviewed Mr Lim’s performance since his appointment to the Board and considers that Mr Lim’s skills and experience will continue to enhance the Board’s ability to perform its role.

The Directors, other than Mr Lim, recommend that Shareholders vote in favour of Resolution 2 to reappoint Mr Lim as a Director.

The Chairman intends to vote all available proxies in favour of Resolution 2.

Item 4 – Ratification of Director (Resolution 3)

Under clause 69.2 of the Constitution, the Directors at any time may appoint a director to the board of the Company as a casual vacancy until the next annual general meeting where that director is then eligible for re-election.

Accordingly, Hian Siang Chan having been appointed on 23 October 2020 and without prior shareholder approval retires at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Chan's qualifications and experience are set out in the ASX announcement dated 23 October 2020. Mr Chan currently serves as a non-executive director.

The Directors, other than Mr Chan, recommend that Shareholders vote in favour of Resolution 4 to reappoint Mr Chan as a Director.

The Chairman intends to vote all available proxies in favour of Resolution 3.

Item 5 - Approval of 10% Placement Facility (Resolution 4)

Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

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 in Section 5.1 below).

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on 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 Rule 7.1. This will result in a combined 25% placement capacity.

If the resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval, and will be required to rely on the 15% placement capacity under Listing Rule 7.1.

Resolution 4 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 4 for it to be passed.

The Chair intends to exercise all available proxies in favour of Resolution 4.

5.1 Applicable Listing Rules

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

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 maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000, (**Eligible Entity**).

The Company is an Eligible Entity.

5.2 Information on Additional Placement Facility

As at the date of this Notice, the Company currently has on issue 216,071,377 Shares and the last recorded closing price of the Shares on 22 October 2020 was \$1.20. 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 approx. \$259 million.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being Shares (ASX Code: MAU).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully paid +ordinary securities on issue at the commencement of the relevant period:

- under an exception in rule 7.2 other than exception 9, 16 or 17,
- plus the number of fully paid +ordinary securities issued in the relevant period on the +conversion of +convertible securities within rule 7.2 exception 9 where:
 - the +convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the +convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid +ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid +ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
- plus the number of partly paid +ordinary securities that became fully paid in the relevant period,

- less the number of fully paid +ordinary securities cancelled in the relevant period;

D = 10%

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

5.3 Listing Rule requirements

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Minimum price at which Equity Securities may be issued

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the securities are not issued within 10 trading days of the date in paragraph (i), the date on which the securities are issued.

(b) Risk of economic and voting dilution

If Resolution 4 is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date for cash consideration.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$0.60 (50% decrease in market price)	\$1.20 (market price)	\$2.40 (100% increase in market price)
Current issued capital	Shares issued under LR 7.1A	216,071,377	216,071,377	216,071,377
	Voting dilution	10%	10%	10%

A 216,071,377	=	Funds raised	\$129,642,826.20	\$259,285,652.40	\$518,571,304.80
50% increase in issued capital	in	Shares issued under LR 7.1A	324,107,065	324,107,065	324,107,065
		Voting dilution	10%	10%	10%
A 324,107,065 Shares	=	Funds raised	\$194,464,239.00	\$388,928,478.00	\$777,856,956.00
100% increase in issued capital	in	Shares issued under LR 7.1A	432,142,754	432,142,754	432,142,754
		Voting dilution	10%	10%	10%
A 432,142,754 Shares	=	Funds raised	\$259,285,652.40	\$518,571,304.80	\$1,037,142,609.60

This table has been prepared on the following assumptions:

1. the latest available market price of Shares, being the closing price as at 22 October 2020, was \$1.20;
2. the Company issues the maximum number of equity securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
4. the Company issues Shares only and does not issue other types of equity securities (such as Options) under the Additional Placement Facility; and
5. the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

(c) Date by which Equity Securities may be issued

The approval to the Additional Placement Facility under this Resolution will commence on the date of the Meeting and will expire on the first to occur of the following:

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

(10% Placement Period).

Equity Securities may only be issued under the Additional Placement Facility during the 10% Placement Period.

(d) Purpose for which Equity Securities may be issued

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital.

(e) Allocation policy

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company;
- (iv) prevailing market conditions; and
- (v) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

(f) Equity securities issued under previous placement facility approval

The Company has not issued any securities in the past 12 months from any approval obtained by Shareholders pursuant to ASX Listing Rule 7.1A.

5.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4 as it will provide the Company with the flexibility to raise additional capital.

The Chairman intends to vote all available proxies in favour of Resolution 4.

Item 6 –Ratification of the Issue of Securities to vendors of the Nicholson Well project (Resolution 5)

6.1 Background to Resolution 5

On 7 February 2020, the Company announced it had decided to execute an option agreement over the Nicholson Well project located in Western Australia, which consisted of a cash consideration of \$30,000 plus the issue of 200,000 shares in total to Mr Christopher Flesser and Mr James Hanna.

Mr Flesser and Mr Hanna are unrelated parties. The issue of 200,000 shares was utilising the Company's capacity to issue Shares under Listing Rule 7.1.

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

6.3 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 ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the unrelated parties, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of shares.

6.4 Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

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

- (a) 200,000 Shares in total were issued to Mr Flesser and Mr Hanna, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) were issued at a deemed issue price of \$0.60 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) The Shares were issued on 6 February 2020;
- (e) The shares have been issued to Mr Flesser and Mr Hanna as consideration for the acquisition of the Nicholson Well project;
- (f) No funds were raised by the share issue as it was issued as consideration for the project.

The Directors recommend that Shareholders vote in favour of Resolution 5 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 5.

Item 7 –Ratification of the Issue of Securities to vendors of the Lady Julie project (Resolution 6)

7.1 Background to Resolution 6

On 27 February 2020, the Company announced it had decided to execute an option agreement over the Lady Julie project located in Western Australia, which consisted of a cash consideration of \$50,000 plus the issue of 300,000 shares in total to Mr Peter Gianni and Mr Robert Jewson.

Mr Gianni and Mr Jewson are unrelated parties. The issue of 300,000 shares was utilising the Company's capacity to issue Shares under Listing Rule 7.1.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

7.3 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 ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the unrelated parties, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of shares.

7.4 Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

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

- (a) 300,000 Shares in total were issued to Mr Gianni and Mr Jewson, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) were issued at a deemed issue price of \$0.67 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) The Shares were issued on 26 February 2020;
- (e) The shares have been issued to Mr Gianni and Mr Jewson as consideration for the acquisition of the Lady Julie project;
- (f) No funds were raised by the share issue as it was issued as consideration for the project.

The Directors recommend that Shareholders vote in favour of Resolution 6 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 6.

Item 8 – Ratification of the Issue of Securities to unrelated parties via placement (Resolution 7)

8.1 Background to Resolution 7

On 20 February 2020, the Company announced it had received binding applications from unrelated parties to raise approximately \$3million via the issue of 4,864,181 shares under a placement at \$0.62 per share.

The placement was done at an approximate 11% discount to the share price at the time and the shares were issued utilising the Company's capacity to issue Shares under Listing Rule 7.1.

8.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

8.3 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 ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the unrelated parties, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of shares.

8.4 Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue pursuant to Resolution 7:

- (a) 4,864,181 Shares in total were issued to unrelated sophisticated and section 708 exempt investors, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) were issued at a deemed issue price of \$0.62 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) The Shares were issued on 27 February 2020;
- (e) The shares have been issued to unrelated parties and clients of numerous brokers who were paid a 5% broker placement fee; and
- (f) A total of approx. \$3m was raised to fund ongoing drilling and exploration at the Company's Hawks Nest and Lady Julie projects, together with working capital.

The Directors recommend that Shareholders vote in favour of Resolution 7 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 7.

Item 9 –Ratification of the Issue of Securities to vendors of the Homeward South Bound project (Resolution 8)

9.1 Background to Resolution 8

On 5 May 2020, the Company announced it had decided to execute an option agreement over the Homeward Bound South project located in Western Australia, which consisted of a cash consideration of \$50,000 plus the issue of 250,000 shares in total to Tyson Resources Pty Ltd.

Tyson Resources Pty Ltd are unrelated parties. The issue of 250,000 shares was utilising the Company's capacity to issue Shares under Listing Rule 7.1.

9.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

9.3 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 ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the unrelated parties, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of shares.

9.4 Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue pursuant to Resolution 8:

- (a) 250,000 Shares in total were issued to Tyson Resources Pty Ltd, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) were issued at a deemed issue price of \$0.75 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) The Shares were issued on 5 May 2020;
- (e) The shares have been issued to Tyson Resources Pty Ltd as consideration for the acquisition of the Homeward Bound South project;
- (f) No funds were raised by the share issue as it was issued as consideration for the project.

The Directors recommend that Shareholders vote in favour of Resolution 8 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 8.

Item 10 – Ratification of the Issue of Securities to unrelated parties via placement (Resolution 9)

10.1 Background to Resolution 9

On 3 September 2020, the Company announced it had received binding applications from unrelated parties to raise approximately \$7.1m via the issue of 5,143,659 shares under a placement at \$1.38 per share.

The placement was done at an approximate 15% discount to the share price at the time and the shares were issued utilising the Company's capacity to issue Shares under Listing Rule 7.1.

10.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

10.3 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 ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues to the unrelated parties, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the issue is not ratified, then the Company's placement capacity will be reduced by the number of shares.

10.4 Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue pursuant to Resolution 9:

- (a) 5,143,659 Shares in total were issued to unrelated sophisticated and section 708 exempt investors, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) were issued at a deemed issue price of \$1.38 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) The Shares were issued on 11 September 2020;
- (e) The shares have been issued to unrelated parties and clients of numerous brokers who were paid a 5% broker placement fee; and
- (f) A total of approx. \$7.1m was raised to fund ongoing drilling and exploration at the Company's Hawks Nest and Lady Julie projects, together with working capital.

The Directors recommend that Shareholders vote in favour of Resolution 9 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 9.

Item 11 – Approval for the Issue of 3,600,000 December 2024 Options to Related Parties (Resolutions 10 to 12 inclusive)

11.1 - Background to Resolutions 10 to 12 inclusive

The Company is seeking to incentivize the board of directors at a time when the Company is looking to advance development of its projects. In order to maintain cash reserves, the Company has decided to incentivize the various board members via the issue of Options.

The Directors currently hold the following securities

	Fully Paid Ordinary Shares	Partly-paid Contributing Shares	Options to Acquire Fully Paid Ordinary Shares

Eric Lim	8,132,794	-	1,500,000
George Sakalidis	5,292,808	3,135,714	3,000,000
Julien Sanderson	355,000	-	1,200,000
Total	13,780,602	3,135,714	5,700,000

11.2 – Compliance with ASX Listing Rules 10.11 and 7.1

Listing Rule 10.11 provides a general restriction, subject to specified exceptions, against issuing securities to a Related Party without Shareholder approval. A “Related Party” is widely defined under the Corporations Act, and includes a Director of the Company, and a party which controls the Company. Shareholder approval under Resolutions 10 to 12 inclusive is required to comply with Listing Rule 10.11 since the allottees, as current Directors (or their nominees), are related parties of the Company.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options under Resolutions 10 to 12 inclusive as approval is being obtained under ASX Listing Rule 10.11.

Approval is being sought by Resolutions 10 to 12 inclusive under ASX Listing Rule 10.11 for the issue of up to 3,600,000 December 2024 Options to three Related Parties of the Company, namely George Sakalidis as Managing Director, Eric Lim and Julien Sanderson, both non-executive directors.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an Option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

If Resolutions 10 to 12 inclusively are each passed, following the issue of the 3,600,000 December 2024 Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those December 2024 Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New Options referred to above must occur no later than 1 month, or such later date as permitted by ASX, from the date of the Annual General Meeting.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 9 to 11:

- (a) the maximum number of securities to be issued by the Company for nil consideration is 3,600,000 December 2024 Options and as follows:
 - (i) 1,800,000 December 2024 Options will be issued to George Sakalidis or his nominee under Resolution 10;
 - (ii) 900,000 December 2024 Options will be issued to Eric Lim or his nominee under Resolution 11, and
 - (iii) 900,000 December 2021 Options will be issued to Julien Sanderson or his nominee under Resolution 12;
- (b) the December 2024 Options will be issued no later than one month after the date of the Annual General Meeting, on one date and not on consecutive dates;
- (c) the December 2024 Options will otherwise be issued on the terms and conditions set out in Annexure A;
- (d) the December 2024 Options will have an exercise price of 130% to the 5 trading day VWAP for Shares prior to the date of issue of the Options;
- (e) The related parties will purchase the options for a consideration of \$0.001 per option, with the \$3,600 raised being used as working capital; and
- (f) Funds of approximately \$5,364,000 (assuming a \$1.49 exercise price for the December 2024 Options) may be raised upon exercise of the Options the subject of Resolutions 10 to 12 inclusive, which will be used to partially fund the exploration programmes in respect to the Company’s projects at Hawks Nest and Lady Julie, and general working administration costs. However, there is no guarantee that all or any of the Options will be exercised at any time in the future.

- (g) The key terms of the Mr Sakalidi's employment agreement are that he work an average of 95 hours per month at an hourly rate of \$178.25 per hour performing the normal duties associated with an executive director of an ASX listed company. Mr Lim and Mr Sanderson have entered into a director's contract where they are paid \$46,000 per annum

11.3 - Section 208 Corporations Act and section 195 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The proposed grant of December 2024 Options under Resolutions 10 to 12 each constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act includes as an example of a "financial benefit", the issuing of securities or the granting of an Option to a related party.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- the giving of the financial benefit falls within an exception to the provision; or
- prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after Shareholder approval is obtained.

Since all of the Board members have a material personal interest in the Options proposed to be issued to the Directors under Resolutions 10 to 12 inclusive, the Board is not competent under section 195(4) of the Corporations Act to form a quorum for the purpose of considering whether any of the exceptions in Chapter 2E of the Corporations Act applies. None of the exceptions can therefore be considered to apply and Shareholder approval must therefore be sought in relation to Resolutions 10 to 12 inclusive.

The following information is provided in accordance with Section 219 of the Corporations Act.

The Related Parties to Whom the Proposed Resolutions Would Permit the Benefit to be Given

George Sakalidis, under Resolution 10

Eric Lim, under Resolution 11

Julien Sanderson, under Resolution 12

("Related Party")

The Nature of the Financial Benefit

The Company wishes to incentivize the Directors at a time when the Company is looking to advance development of the Company's projects. In order to maintain cash reserves, the Company has decided to incentivize the board members via the issue of Options. The financial benefit constitutes the issue of December 2024 Options which will be issued for \$0.001 per option consideration and enables the holders to subscribe for Shares in the capital of the Company, credited as fully paid, on the terms as set out in of Annexure A.

If the December 2024 Options to be issued under Resolutions 10 to 12 inclusively are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company's issued Share capital will increase by 3,600,000 Shares representing 1.64% of the enlarged issued Share capital of the Company, diluting the Shareholders by a corresponding amount.

Other Information that is Reasonably Required by Members to Make a Decision and that is known to the Company or any of its Directors

The Options the subject of Resolutions 10 to 12 inclusively have been valued using the Black-Scholes pricing model, based on the following assumptions:

- a) the Options are to be exercisable at a 30% premium to the 5 trading day VWAP prior to the date of issue of the New December 2024 Options, which is assumed for present purposes to be \$1.49 for the December 2024 Options;
- b) the December 2024 Options are to be exercised by 31 December 2024;
- c) price volatility of the Shares is approximately 100%;
- d) a 40% discount has been allowed given the unlisted status of the December 2024 Options;

- e) the last closing Share price as at the date of this Notice of Meeting is \$1.15 cents per Share; and
- f) the average current risk free interest rate is 0.27%.

On this basis, the implied “value” being received by the Related Party is 37 cents per December 2024 Option. The total value of the Options proposed to be issued under Resolution 10, 11 and 12 respectively is \$1,317,391.

Board Recommendation

All Directors decline to make a recommendation to Shareholders in relation to Resolutions 10, 11 and 12 due to their material personal interest in the outcome of the Resolutions.

Rationale for proposed issues of Options

If some or all of the Options the subject of Resolutions 10 to 12 inclusively are not approved for issue by the Shareholders, the Directors may not feel as incentivized to grow the value of the Company, and therefore grow the value of the Shares for the benefit of all the Shareholders.

The exercise price of the Options incorporates a 30% premium to the 5 trading day VWAP for Shares prior to the date of issue of the Options, ensuring that the Options are well “out of the money” on the date of issue, and ensuring that the Share price must increase by a factor of 30% before the Options will be “in the money”, providing an incentive to each of the Directors.

The number of December 2024 Options the subject of each of Resolutions 10 to 12 inclusively and the corresponding value of the December 2024 Options (total \$1,317,391) has been chosen by reference to incentive packages offered to directors by other junior iron ore explorers listed on the ASX which are in the exploration stage of development and taking into consideration the comparative number and value of the Options granted. The December 2024 Options are also non transferable such that the incentive lies with the Directors alone.

Trading History

The market price of Shares in the Company will normally determine if the Options are exercised. If the Company's Shares are trading on the ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

Over the last 6 months the Shares have traded between \$0.55 per Share (lowest) and \$1.71 per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was \$1.20 per Share.

The Chairman intends to vote all available proxies in favour of Resolutions 10, 11 and 12.

Item 12 – Approval for the Issue of 1,250,000 December 2024 Options to staff and contractors Shares (Resolution 13)

12.1 Background to Resolution 13

Shareholder approval is sought for the issue of up to 1,250,000 December 2024 Options to staff and contractors for an issue of \$0.001 per December 2024 Options. The purpose of the proposed December 2024 Options is to incentivise staff and contractors. Resolution 13 is being put to Shareholders to offer additional flexibility to the Board to issue equity securities to staff and contractors who are not Related Parties, in addition to the Company's ability to issue equity securities under Listing Rule 7.1.

12.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 1,250,000 December 2024 Options to unrelated staff and contractors at an issue price of \$0.001 per option. If Resolution 13 is passed, following the issue of the December 2024 Options the subject of Resolution 12, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those December

2024 Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the December 2024 Options the subject of Resolution 12 must occur no later than 3 months, or such later date as permitted by ASX, from the date of the Meeting.

If the 1,250,000 December 2024 Options were exercised into Shares, shareholders would be diluted by approximately 0.58%.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Shares under Resolution 13:

- (a) the maximum number of December 2024 Options to be issued under Resolution 13 is 1,250,000;
- (b) the December 2024 Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules); issue may occur progressively;
- (c) the December 2024 Options will be issued to unrelated staff and contractors;
- (d) the December 2024 Options will otherwise be issued on the terms and conditions set out in Annexure A;
- (e) the December 2024 Options will have an exercise price of 130% to the 5 trading day VWAP for Shares prior to the date of issue of the Options;
- (f) The staff and contractors will purchase the options for a consideration of \$0.001 per option, with the \$1,250 raised being used as working capital; and
- (g) Funds of approximately \$1,862,500 (assuming a \$1.49 exercise price for the December 2024 Options) may be raised upon exercise of the Options the subject of Resolutions 12, which will be used to partially fund the exploration programmes in respect to the Company's projects at Hawks Nest and Lady Julie, and general working administration costs. However, there is no guarantee that all or any of the Options will be exercised at any time in the future. The Shares will rank equally in all respects with the existing class of quoted fully paid ordinary shares on issue, the terms of which are in the public domain.

12.3 Directors Recommendation

Each of the Directors recommend that Shareholders should vote in favour of Resolution 13 in order to maximise the Company's flexibility to raise additional working capital beyond that possible under the existing capacities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 13.

Item 13 – Approval of New Constitution (Resolution 14)

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders. Resolution 14 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution ("Proposed Constitution") which is of the type required for a listed public company limited by shares.

The current Constitution was adopted in 2007. Since then, there have been a number of changes to the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules, and corporate governance principles for listed companies. Accordingly, the Board considers that it is in the best interests of the Company and its shareholders to revise and update the current Constitution.

Given the number of changes involved and the need to use updated technology, the best and most efficient way of doing so is to adopt the Proposed Constitution.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature, including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and

- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 14 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Summary of material proposed changes:

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Minimum Shareholding (clause 3)

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to

be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

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

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 14.

The Chair intends to vote all available proxies in favour of Resolution 14.

ANNEXURE A – DECEMBER 2024 OPTIONS

1. Each Option entitles the holder to acquire one fully paid ordinary Share in the Company.
2. The Options are exercisable on or before 31 December 2024.
3. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the exercise price comprising a 30% premium to the 5 trading day VWAP prior to the date of issue of the Option for each Option exercised.
4. The Options will not be transferable.
5. Option holders shall be permitted to participate in new issues of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
6. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
8. If there is a bonus issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.
10. Application will not be made for the Options to be quoted on the Official List of the ASX.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

10% Placement Facility	has the meaning given in Section 5.
10% Placement Period	has the meaning given in Section 5.
Annual General Meeting	means the meeting convened by the Notice of Annual General Meeting.
Associate	has the meaning given in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691).
Board	Board of Directors.
Chairman	Chairman of the Company.
Constitution	Constitution of the Company.
Company or Magnetic	Magnetic Resources NL (ABN 34 121 370 232).
Corporations Act	Corporations Act 2001 (Cth).
December 2024 Option	means an option exercisable on or before 31 December 2024 at 130% to the 5 day VWAP
Director	Director of the Company.
Equity Securities	has the meaning set out in Listing Rule 19.
Explanatory Statement	the Explanatory Statement accompanying the Notice of Annual General Meeting.
Listing Rules or ASX Listing Rules	the listing rules of ASX.
Meeting	means this Annual General Meeting.
Notice of Annual General Meeting	the Notice of Annual General Meeting accompanying the Explanatory Statement.
Option	means an Option to subscribe for a Share.
Placement	has the meaning given in the Corporations Act.
Share(s)	ordinary fully paid Shares in the capital of the Company.
Shareholder	a holder of a Share.
Voting Power	the sum of a person's Relevant Interest in Shares plus the person's Associates' Relevant Interest in Shares.
VWAP	the volume weighted average price of a Share.
WST	Western Standard Time as observed in Perth, Western Australia.

Proxy Voting Form

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 **10.00am (WST) on Saturday 28 November 2020**, 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/#/loginsah> 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:

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GPO Box 5193
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IN PERSON:

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Sydney NSW 2000

BY EMAIL:

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BY FACSIMILE:

+61 2 8583 3040

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