



SCORPION MINERALS LIMITED

ACN 115 535 030

Notice of Annual General Meeting Proxy Form and Explanatory Statement

Date of Meeting

24 November 2021

Time of Meeting

11:00am (WST)

Place of Meeting

Unit 1/24 Mumford Place, Balcatta, WA 6021

*This Notice 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 adviser without delay.*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SCORPION MINERALS LIMITED ACN 115 535 030 ("COMPANY") WILL BE HELD AT UNIT 1/24 MUMFORD PLACE, BALCATT, WA ON WEDNESDAY 24 NOVEMBER 2021, AT 11:00 AM (WST).

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice. Terms used in this Notice are defined in Schedule 1 of this document.

ORDINARY BUSINESS

1. Financial Statements and Reports for the year ended 30 June 2021

To receive and consider the annual financial report of the Company and the reports of the Directors and the auditors of the Company for the financial year ended 30 June 2021.

Note: There is no requirement for Shareholders to approve these reports. A copy of the Company's 2021 Annual Report is available at www.scorpionminerals.com.au.

2. Resolution 1 - Adoption of Remuneration Report

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report forming part of the Company's 2021 Annual Report dealing with the remuneration of the Company's Directors and senior executives be adopted."

Voting Prohibition

In accordance with section 250R of the Corporations Act 2001 (Cth) ("**Corporations Act**"), the Company will disregard any votes cast on Resolution 1 by or on behalf of:

- (a) a member of the Key Management Personnel ("**KMP**") whose remuneration is included in the Remuneration Report; or
- (b) a Closely Related Party of a member of the KMP.

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

- (a) the person is acting as proxy for a person entitled to vote on the Resolution, in accordance with a direction in the proxy appointment specifying how the proxy is to vote on the Resolution; or
- (b) the person is Chairperson of the meeting and the appointment of the Chairperson as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the Chairperson to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

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

- (a) the person is either a member of the KMP or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Please read the information under the heading 'Chairperson as proxy' which deals with the Chairperson's voting of undirected proxies on Resolution 1.

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

3. Resolution 2 - Election of Ms Kate Stoney as a Director

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

“That, for the purposes of clause 13.5 of the Constitution, Listing Rules 14.4 and 14.5 and for all other purposes, Ms Kate Stoney, who was appointed as a Director by the Board on 16 February 2021, retires, and being eligible, is re-elected as a Director.”

4. Resolution 3 - Re-election of Mr Craig Hall as a Director

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

“That, for the purposes of clause 13.2 of the Constitution, Listing Rules 14.4 and 14.5 and for all other purposes, Mr Craig Hall retires, and being eligible, is re-elected as a Director.”

5. Resolution 4 – Ratification of Placement Shares (August 2021)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,763,333 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

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

- (a) a person who participated in the issue; or
- (b) an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Resolution 5 – Ratification of Shares (Drill for Equity)

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of those persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7. Resolution 6 – Approval to Issue Shares (Satisfaction of Debt)

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 3,600,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares); or
- (b) an associate of those persons.

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

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (d) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 7 - Approval of 10% Placement Facility

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, a proposed issue of Shares under the 10% Placement Facility (except a benefit solely in the capacity of a holder of Shares); and
- (b) any associates of those persons.

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

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

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of equity securities under Listing Rule 7.1A.2. Consequently, no persons are excluded from voting under this Resolution.

9. Resolution 8 – Approval to issue Options to Kate Stoney under Appointment Letter

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Options to Kate Stoney (or her nominee), a Director, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) Kate Stoney and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares); or
- (b) an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition:

In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 8 as a proxy by a member of the Company’s Key Management Personnel, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

10. Resolution 9 – Approval to issue Options to Bronwyn Barnes (ESOP)

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Bronwyn Barnes (or her nominee), a Director, under the Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

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

Voting Prohibition:

In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 9 as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

11. Resolution 10 – Approval to issue Options to Craig Hall (ESOP)

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Craig Hall (or his nominee), a Director, under the Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition:

In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 10 as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

12. Resolution 11 – Approval to issue Options to Kate Stoney (ESOP)

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Options to Kate Stoney (or her nominee), a Director, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of:

- (a) a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan; or
- (b) an associate of those persons.

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

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

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition:

In accordance with the Corporations Act the Company will disregard any votes cast in relation to Resolution 11 as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member, unless the vote is cast as a proxy for a person who is entitled to vote on the Resolution:

- (a) in accordance with their directions of how to vote set out in the relevant proxy form; or
- (b) by the Chair pursuant to an express authorisation set out in the relevant proxy form.

BY ORDER OF THE BOARD



KATE STONEY

Director and Company Secretary

Dated 28 October 2021

ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 11:00am (WST) on 24 November 2021. This is because, in accordance with the Corporations Regulations 2001 (Cth), the Board of Directors has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

HOW TO VOTE

Voting in person

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

Corporate Representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

Voting by Proxy

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled Meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 11:00am (WST) on 22 November 2021. Any proxy appointment received after that time will not be valid for the scheduled Meeting.

Postal Address: Scorpion Minerals Limited
Unit 1/24 Mumford Place
Balcatta WA 6021

Facsimile: +61 8 6241 1811

Email: info@scorpionminerals.com.au

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the Meeting.

Chairperson as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairperson of the Meeting as their proxy (or the Chairperson becomes their proxy by default) and the Shareholder does not direct the Chairperson how to vote on the Resolution:-

- the Chairperson intends to vote in favour of the Resolution, as proxy for that Shareholder on a poll; and
- for Resolution 1, 8, 9, 10 and 11, the Shareholder will have given the Chairperson express authority to vote as the Shareholder's proxy on the relevant resolution even though the Resolution is connected directly

or indirectly with the remuneration of a member of the KMP for the Company and even though the Chairperson is a member of the KMP, unless the Shareholder expressly indicates to the contrary in the proxy appointment.

If you do not want to put the Chairperson of the Meeting in the position to cast your votes in favour of Resolution 1, 8, 9, 10 or 11 you should complete the appropriate box on the proxy form, directing your proxy to vote against, or to abstain from voting, on the resolutions.

Other members of KMP as proxy

If a Shareholder appoints a Director (other than the Chairperson of the meeting) or another member of the KMP (or a Closely Related Party of any such person) as their proxy and does not direct the proxy how to vote on Resolution 1, 8, 9, 10 or 11 by marking the 'For', 'Against' or 'Abstain' box opposite the relevant Resolution on the proxy appointment, the proxy will not be able to exercise the Shareholder's proxy and vote on their behalf on the relevant Resolution.

QUESTIONS FROM SHAREHOLDERS

The Chairperson of the Meeting will allow a reasonable opportunity for Shareholders at the Meeting to ask questions about and make comments on the management of the Company and on the financial report, the Directors' report (including the Remuneration Report) and the auditor's report (**Reports**), as well as each of the Resolutions to be considered at the Meeting.

A representative of the Company's auditor will attend the Meeting. During the Meeting's consideration of the Reports, the Chairperson will allow a reasonable opportunity for Shareholders to ask the auditor's representative questions relevant to the:

- conduct of the audit;
- preparation and content of the auditor's report for the financial year ended 30 June 2021;
- accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the financial report for that year; and
- independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the auditor's report or the conduct of the audit.

If you wish to submit a question in advance of the Meeting, you may do so by sending your question to one of the addresses or facsimile numbers above by no later than 22 November 2021. The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor may not be replying on an individual basis.

EXPLANATORY STATEMENT

This Explanatory Statement is for the information of Shareholders in connection with the Resolutions to be considered at the Annual General Meeting to be held on 24 November 2021 at 11:00am (WST). If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

Ordinary Business

Annual Financial Report

The 2021 Annual Report (including the financial statement, Directors' report and auditor's report for the financial year ended 30 June 2021) is available for review by members at <https://www.scorpionminerals.com.au/> and will be tabled at the Meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made for members to question the Directors and the Company's auditor should they wish to do so.

1. Resolution 1 – Adoption of Remuneration Report

The Board submits its Remuneration Report for the year ended 30 June 2021 to Shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is included in the 2021 Annual Report. The Remuneration Report:

- (a) explains the Company's remuneration principles relating to the nature and amount of the remuneration of directors, senior managers and other group executives of the Company;
- (b) discusses the relationship between the remuneration principles and the Company's performance; and
- (c) sets out remuneration details for each Director and for each relevant executive of the Company.

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

As required by section 250R(2) of the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to Shareholders at the Meeting. The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides that if Resolution 1 receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote. The Corporations Act provides for a 'two strikes rule' in relation to voting on the Remuneration Report. This rule would apply if, at two consecutive annual general meetings, the resolution for the adoption of the Remuneration Report were to receive a 'no' vote of 25% or more of the votes cast on the resolution. In that case, a further resolution (a 'spill resolution') would be required to be put to Shareholders at the second of those annual general meetings. If passed, the spill resolution would require an extraordinary general meeting of the Company (a 'spill meeting') to be held within 90 days of the second annual general meeting, for the purpose of considering the election of Directors. At the spill meeting, the directors (other than the Managing Director) who were in office at the date of approval by the Board of the most recent Directors' report would cease to hold office, unless re-elected at the meeting. For any spill resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it.

The Company did not receive a strike at its 2020 annual general meeting (less than 25% of the votes cast were against the adoption of the 2020 remuneration report). Accordingly, a Spill Resolution will not be required at the Annual General Meeting.

The Board remains confident that the Company's remuneration policy and the level and structure of its executive remuneration are suitable for the Company and its shareholders and hence it has not amended its overall remuneration policy.

Please read the information under the heading 'Chairperson as proxy' which deals with the Chairperson's voting of undirected proxies on this Resolution.

2. Resolution 2 – Election of Ms Kate Stoney as a Director

Listing Rule 14.4 and clause 13.5 of the Constitution provides that a director of the Company appointed to fill a casual vacancy, or as an addition to the Board, must not hold office (without re-election) past the next annual general meeting of the Company. Clause 13.5 of the Constitution states that any such Director shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Stoney will retire at the Meeting in accordance with Listing Rule 14.4 and clause 13.5 of the Constitution and, being eligible, seeks to be re-elected pursuant to Resolution 2. Resolution 2 seeks approval for the re-election of Ms Kate Stoney to the Board of Directors.

Ms Kate Stoney was appointed as a Director on 16 February 2021 to fill a casual vacancy.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

(a) Biographical Details:

Ms Stoney is a CPA qualified accountant who studied at Edith Cowan University holding a Bachelor of Business degree (Double Major in Accounting and Finance). Kate has over 15 years' experience working in accounting, administration and company secretarial positions in listed companies.

(b) Material Directorships & Appointments

Ms Stoney is currently a non-executive director and company secretary of Horseshoe Metals Limited (ASX: HOR).

(c) Term of Office

Ms Stoney was appointed a Director on 16 February 2021 and this her first time standing for election by Shareholders.

(d) Independence

The board considers Ms Stoney to be an independent director.

(e) Background Checks

The Company has conducted appropriate background and other checks in respect of Ms Stoney's appointment, and such checks have not returned any information of concern.

(f) Directors' recommendation

The Board, with Ms Stoney abstaining with respect to Resolution 2, recommend that Shareholders vote in favour of Resolution 2. The Chairperson intends to vote undirected proxies in favour of Resolution 2. The Directors consider Ms Stoney's skills and experience, in particular her experience in accounting and finance are valuable to, and complement, the Board's existing skills and experience.

3. Resolution 3 – Re-election of Mr Craig Hall as a Director

Listing Rule 14.4 provides that a director of an entity (other than a Managing Director) must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors (other than alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director (other than an alternate Director or Managing Director) holds office for more than 3 years, shall retire from office.

The Company currently has 3 Directors (none of whom are a Managing Director) and accordingly 1 must retire. Mr Craig Hall retires by rotation and seeks re-election from Shareholders pursuant to Resolution 3.

The following information is provided in accordance with Recommendation 1.2 of the ASX Corporate Governance Principles and Recommendations:

(a) Biographical Details:

Mr Hall is an experienced geologist with over 30 years of mineral industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas.

(b) Material Directorships & Appointments

Mr Hall is currently a Non-executive director of ASX listed entities Auris Minerals Limited and Horseshoe Metals Limited. Mr Hall was previously a Non-executive Director of Redbank Copper Limited, Eclipse Metals Limited and Target Energy Limited.

(c) Term of Office

Mr Hall was first appointed as a Director on 11 February 2019 and was last re-elected by Shareholders on 29 November 2019.

(d) Independence

The board considers Mr Hall to be an independent director.

(e) Directors' recommendation

The Board, with Mr Hall abstaining with respect to Resolution 3, recommend that Shareholders vote in favour of Resolution 3. The Chairperson intends to vote undirected proxies in favour of Resolution 3. The Directors consider Mr Hall's skills and experience, in particular his significant experience as a geologist with over 30 years of mineral industry experience in exploration, development and production roles in a range of commodities, are valuable to the Board's existing skills and experience.

4. Resolution 4 – Ratification of Placement Shares (August 2021)

4.1 General

On 13 August 2021, the Company issued a total of 10,763,333 to sophisticated and professional investors identified by the Company at an issue price of 7.5 cents per Share to raise a total of \$807,250 (no costs) (**Placement**).

The Placement utilised the Company's placement capacity under ASX Listing Rule 7.1A.

Listing Rule 7.1 provides, broadly, that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.1A provides that an eligible entity can seek approval from its members (by way of special resolution passed at its annual general meeting) to increase its 15% placement capacity (under Listing Rule 7.1) by an extra 10% i.e. to 25%. The Company obtained approval to increase its placement capacity by an extra 10% (to 25%) at its prior annual general meeting held on 30 November 2020.

The Placement did not fit within any of the exceptions and, as the Company did not seek pre-approval from Shareholders, it has effectively used up part of its additional 10% limit under Listing Rule 7.1A reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Placement.

Listing Rule 7.4 allows the shareholders of a listed company to ratify a prior issue of securities made pursuant to Listing Rule 7.1 and/or Listing Rule 7.1A (provided that the prior issue did not breach Listing Rule 7.1), and if ratified those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and so do not reduce the Company's placement capacity under Listing Rule 7.1 and/or 7.1A.

The Company wishes to retain flexibility to issue additional equity securities in the future without having to obtain prior Shareholder approval under Listing Rule 7.1. To this end, Resolution 4 seeks Shareholder ratification (under Listing Rule 7.4) of the issue of Shares under the Placement.

If Resolution 4 is passed, the Placement will be excluded in calculating the Company's 10% additional limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement (assuming that Shareholders approve Resolution 5 in respect of refreshing the Company's 7.1A additional capacity). In addition, the Company's placement capacity under Listing Rule 7.1 will increase by virtue of the 10,763,333 Shares (issued under Listing Rule 7.1A) being included in the calculation of the base number of shares on which the 15% capacity is derived (being "A" in the relevant formula).

If Resolution 4 is not passed, the Placement will be included in calculating the Company's 10% additional limit in Listing Rule 7.1A (assuming that Shareholders approve Resolution 5 in respect of refreshing the Company's 7.1A additional capacity), effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement.

4.2 Technical information required by Listing Rule 7.4

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

- (a) the Shares were issued to professional and sophisticated investors who were identified by the Company by seeking expressions of interest from existing contacts and networks;
- (b) none of the persons who received shares under the Placement fall into a class of persons requiring Shareholder approval under Listing Rule 10.11 (being a Related Party, a substantial (30%) holder, a substantial (10%) holder who has appointed a nominee Director, an associate of the foregoing, or a person for whom, in ASX's opinion, approval should have been obtained);
- (c) 10,763,333 fully paid ordinary shares were issued under the Placement;
- (d) the 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;
- (e) the Shares were issued on 13 August 2021;
- (f) the issue price was \$0.075 per Share, and the Company has not and will not receive any other consideration for the issue of Shares under the Placement;
- (g) the purpose of the Placement was to raise \$807,250, which was used, or will be used, by the Company to fund exploration expenditure of \$450,000 and general administration fees and working capital of \$357,250;
- (h) the Shares were not issued under any agreements;
- (i) a voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

4.3 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 4. The Chairperson intends to vote undirected proxies in favour of Resolution 4.

5. Resolution 5 – Ratification of Placement Shares (Drill for Equity)

5.1 General

As announced by the Company on 29 July 2021, the Company has entered into a contract with iDrilling Australia Pty Ltd (**iDrilling Australia**) to undertake drill programmes across the Company's Pharos Project (**Drill Contract**). The parties agreed that the Company will issue 1,500,000 Shares to iDrilling Australia (or its nominee) at a deemed issue price of \$0.075 per Share in part consideration for drilling services to be conducted by iDrilling Australia under the Drill Contract up to a value of \$112,500 (**Drill for Equity Placement**) with additional drilling costs to be paid in cash. The issues of Shares under the Drill for Equity Placement completed on 25 October 2021.

The Shares issued under the Drill for Equity Placement are subject to voluntary escrow until the earlier of 6 months from the date of issue, or the date the Company accepts invoices under the Drill Contract totalling at least \$112,500 (ex-GST).

The Drill for Equity Placement utilised the Company's placement capacity under ASX Listing Rule 7.1. Resolution 5 seeks Shareholder ratification of the Drill for Equity Placement pursuant to Listing Rule 7.4.

A summary of Listing Rule 7.1 and 7.4 is set out in section 4.1 above.

By ratifying the issue of Shares under the Drill for Equity Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If Resolution 5 is passed, the Shares issued under the Drill for Equity Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the Drill for Equity Placement.

If Resolution 5 is not passed, the issue of Shares under the Drill for Equity Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Drill for Equity Placement.

5.2 Technical information required by Listing Rule 7.4

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

- (a) the Shares were issued to Orbit Drilling Pty Ltd (being a nominee of iDrilling Australia) who does not fall into a class of persons requiring Shareholder approval under Listing Rule 10.11;
- (b) 1,500,000 fully paid ordinary shares were issued;
- (c) the 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, and the Shares are escrowed until the earlier of 6 months from the date of issue, or the date the Company accepts invoices under the Drill Contract totalling at least \$112,500 (ex-GST);
- (d) the Shares were issued on 25 October 2021;
- (e) the Shares were issued for nil cash consideration, but were issued at a deemed issue price of \$0.075 per Share in consideration for drilling services to be carried out by iDrilling Australia (the Company has not and will not receive any other consideration for the issue of Shares);
- (f) the purpose of the Drill for Equity Placement was to secure, and provide part consideration for, a RC drilling programme at the Company's Pharos Project;
- (g) the Shares were issued under the Drill Contract and the material terms of this agreement are as follows:
 - (i) iDrilling Australia has agreed to accept and subscribe for up to \$112,500 worth of Shares (at a deemed issue price of \$0.075 per Share) to offset invoices under the Drill Contract charged at the agreed applicable rates.
 - (ii) The Shares are subject to voluntary escrow as set out in clause (c) above.
 - (iii) The contract contains details relating to the equipment specifications, what information and assistance the Company must provide, the applicable rates, and other non-material standard terms.
- (h) a voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

5.3 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 5. The Chairperson intends to vote undirected proxies in favour of Resolution 5.

6. Resolution 6 – Approval to Issue Shares (Satisfaction of Debt)

6.1 General

The Company has in place an unsecured loan agreement for the Company to receive funding of up to \$2,500,000 (**Loan**) from entities associated with Mr Michael Fotios (a former director of the Company who resigned on 31 October 2018). As at 30 June 2021, the amount outstanding under the Loan totals \$1,275,541 as follows:

- (a) Michael Fotios Family Trust – \$419,141;
- (b) Azurite Corporation Pty Ltd – \$351,570;
- (c) Delta Resource Management Pty Ltd – \$175,436; and
- (d) Investmet Limited (in liquidation) – \$329,394,

(**Lenders**).

The Loan, and variations to the Loan, have previously been announced by the Company on 26 October 2017, 27 September 2018, 18 October 2018, 13 March 2020, 29 September 2020 and 8 June 2021. The material terms of the Loan are summarised at section 6.2(f) below.

In addition to the Loan, the Company has \$613,064 owing in trade payables (**Trade Payables**) to two of the Lenders as follows:

- (e) \$520,046 owed to Delta Resource Management Pty Ltd in respect of administrative services provided under an administrative services management agreement; and
- (f) \$93,018 owing to Investmet Limited (in liquidation).

The total amount owed to the Lenders under the Loan and the Trade Payables is \$1,888,605 (**Total Outstanding Amount**).

The Company is seeking approval under Listing Rule 7.1 to issue up to 3,600,000 Shares to the Lenders (or their nominees) in consideration for reduction of up to \$270,000 of debt under the Total Outstanding Amount (being at a deemed issue price of \$0.075 per Share).

A summary of Listing Rule 7.1 is set out in section 4.1 above.

The proposed issue of Shares does not fall within any of the exceptions in Listing Rule 7.2 and the Company has previously stated that the conversion of amounts owned under the Loan to equity will be subject to Shareholder approval. It therefore requires the approval of Shareholders under Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Shares which will allow the Company to reduce the Company's debt by up to \$270,000. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Shares to reduce amounts owned under the Loan. This will have a negative impact on the Company's financial position and borrowing power. It may also require the Company to investigate other means of repaying the Outstanding Amount (which could be on less favourable terms than the current proposal).

6.2 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) The Shares will be issued to Helios Corporation Pty Ltd as trustee of the Michael Fotios Family Trust (or its nominee), Investmet Limited (in liquidation) (or its nominee), Delta Resource Management Pty Ltd (or its nominee), or Azurite Corporation Pty Ltd (or its nominee). The exact apportionment of the debt to be satisfied between the Lenders, and the corresponding number of Shares to be issued to each of the Lenders, is yet to be agreed by the parties. None of these entities fall into a class of persons requiring Shareholder approval under Listing Rule 10.11. The Lenders are entities associated with Mr Michael Fotios, a former director of the Company who resigned on 31 October 2018.
- (b) The maximum number of Shares to be issued is 3,600,000.
- (c) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all Shares will be issued on the same date.
- (d) The Shares will be issued for nil cash consideration, but will be issued at a deemed issue price of \$0.075 per Share in consideration for a \$270,000 reduction in the Total Outstanding Amount, being debt owed under the Loan and the Trade Payables (being at a deemed issue price of \$0.075 per Share). No other consideration has been, or will be, received. As at the date of this Notice, the Company does not know the exact apportionment of the debt to be satisfied between the Lenders.
- (e) The purpose of the issue of the Shares is to reduce the amount of debt owed by the Company by up to of \$270,000.
- (f) The material terms of Loan are as follows:

Loan Amount:	Up to \$2,500,000
Security:	Unsecured
Interest Rate:	8% per annum
Repayment:	All amounts outstanding under the Loan must be repaid on demand on or after 31 December 2022. Repayment of the loans out of the proceeds of a future capital raising shall only be required in respect of the amount (if any) as may be agreed by the Company.
Conversion by Lenders:	Any conversion by the Lenders of the balance of the Loan to equity securities in the Company, or any portion of it upon a future capital raising by the Company, may not exceed the amount which would result in the relevant lender maintaining its percentage holding of Shares at the level it held immediately prior to completion of the raising. Conversion remains subject to receipt of Shareholder approval under Listing Rule 7.1 (together with any other approvals as may be required by law or the Listing Rules).

Conversion by Company:	If the volume weighted average price of Shares in the Company exceeds \$0.25 per Share over a continuous 30 day period, then the Company may, at its election, repay the outstanding balance of the Loan (including any accumulated interest) in cash or Shares (subject to shareholder approval).
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- (g) a voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

6.3 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 6. The Chairperson intends to vote undirected proxies in favour of Resolution 6.

7. Resolution 7 – Approval of 10% Placement Facility

Listing Rule 7.1A enables an eligible entity to seek shareholder approval at its annual general meeting to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the entity's 15% placement capacity under Listing Rule 7.1 and thereby effectively increases the 15% limit by an extra 10%, to 25%.

A summary of Listing Rule 7.1 is set out in section 4.1 of this Explanatory Statement.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity is not included in the S&P/ASX 300 Index, as at the time of the Annual General Meeting. The Company is an eligible entity for the purposes of Listing Rule 7.1A as at the date of this Notice and is expected to be an eligible entity as at the time of the Annual General Meeting.

The Company is putting Resolution 7 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

The effect of Resolution 7 will be to permit the Company to issue Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1. That is, if Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the Additional 10% Placement Capacity and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice, the Company has 259,031,192 Shares on issue. Accordingly, if Shareholders approve Resolution 7 the Company will have the capacity to issue approximately 25,903,119 Equity Securities under the Additional 10% Placement Capacity. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 7 is 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) in order to be passed.

7.1 Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided:

- (a) Issue Period

Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General 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 Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking)

(Additional Placement Period)

The Company will only issue Equity Securities under the Additional 10% Placement Capacity during the Additional Placement Period.

(b) Minimum issue price

Equity Securities issued under the Additional 10% Placement Capacity will be issued for cash consideration at an issue price of not less than 75% of the volume weighted average market price (as defined in the Listing Rules) for securities in the same 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 Company 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) Purpose of Issues

Funds raised by an issue of Equity Securities under the Additional 10% Placement Capacity may be used for further exploration of the Company's current assets, potential acquisition of new assets or investments (including the expenses associated with such acquisition), exploration expenditure on new assets or investments and/or general working capital purposes. The Company will not issue Equity Securities under the Additional 10% Placement Capacity for non-cash consideration.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 in relation to the issue of any Equity Securities under the Additional 10% Placement Capacity.

(d) Risk of economic and voting dilution

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

(A x D) – E

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- i. plus the number of fully paid shares issued in the previous 12 months under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- ii. plus the number of fully paid shares issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the commencement of the 12 month period, or the issue or agreement to issue the convertible securities was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- iii. plus the number of fully paid ordinary shares issued in the previous 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the 12 month period or the agreement or issue was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- iv. plus the number of fully paid shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4;
- v. plus the number of partly paid shares that became fully paid in the previous 12 months;
- vi. less the number of fully paid shares cancelled in the previous 12 months.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, existing Shareholders' economic and voting interests in the Company will be diluted as shown in the table below. There is also 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 of the Equity Securities,

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 of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The table also shows:

- (i) examples of where variable "A" is calculated as at the date of this Notice, and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 28 October 2021 (market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.034 50% decrease in Issue Price	\$0.068 Issue Price at market price	\$0.136 100% increase in Issue Price
Current Variable A 260,531,192 Shares	Shares issued (10% voting dilution)	25,903,119 Shares	25,903,119 Shares	25,903,119 Shares
	Funds raised	\$880,706	\$1,761,412	\$3,522,824
50% increase in current Variable A 390,796,788 Shares	Shares issued (10% voting dilution)	39,079,678 Shares	39,079,678 Shares	39,079,678 Shares
	Funds raised	\$1,328,709	\$2,657,418	\$5,314,836
100% increase in current Variable A 521,062,384 Shares	Shares issued (10% voting dilution)	52,106,238 Shares	52,106,238 Shares	52,106,238 Shares
	Funds raised	\$1,771,612	\$3,543,224	\$7,086,448

The above table has been prepared on the following assumptions:

- (i) Variable A is 260,531,192, being the number of Shares on issue at the date of this Notice.
- (ii) The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity.
- (iii) The Company has not issued any other Equity Securities using its placement capacity under Listing Rule 7.1A in the 12 months preceding the Annual General Meeting.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should

consider the dilution caused to their own shareholding depending on their specific circumstances.

- (vi) The table shows only the dilutive effect of the issuance of Equity Securities under Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation Policy

The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be determined having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of the following matters:

- (i) the purpose of the issue;
- (ii) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer or other offer where existing Shareholders may participate;
- (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- (iv) the effect of the issue of the Equity Securities on the control of the Company;
- (v) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (vi) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The recipients in any offer which may be made under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include Related Parties (or their associates) of the Company. The recipients of Equity Securities could consist of current Shareholders or new investors (or both).

The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity.

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 30 November 2020 (**Previous Approval**). Details of all Equity Securities issued, or agreed to be issued, under Listing Rule 7.1A in the 12 months preceding the date of this Meeting are as follows:

- (i) The Company issued a total of 10,763,333 Shares under the Previous Approval which represents 4.69% of the total number of Shares on issue at the date of the Previous Approval.
- (ii) The issue of the Shares (all 10,763,333) occurred on 13 August 2021 to sophisticated and professional investors that were identified by the Company as part of the Placement described in section 4.1 of this Explanatory Statement. The Company identified the investors by seeking expressions of interests from within the Company and the Directors' existing network, and the Company did not engage any professional advisors to assist with the Placement. None of the participants were a Related Party, KMP, substantial Shareholder, or an advisor of the Company (or an associate of any of the above) and the identity of the individuals is not material in deciding whether to approve this Resolution.
- (iii) The Shares were fully paid ordinary shares.
- (iv) The Shares were issued at an issue price of 7.5 cents per Share which represents 104.2% of the closing price of Shares on 13 August 2021 (being the date of issue).

- (g) A total of \$807,250 was raised from the issue of the Shares. \$451,000 of this has been spent on exploration (\$247,000) and for working capital (\$204,000). The Company proposes to spend the remaining funds on exploration expenditure (\$203,000) and general administration fees and working capital (\$153,250).

(h) Compliance with Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Facility, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.3 for release to the market.

(i) Voting exclusion

A voting exclusion statement is included in the Notice for Resolution 7. At the date of the Notice, the Company has not approached any existing Shareholder or security holder to participate in the issue of Equity Securities under the Additional 10% Placement Capacity. As a result, no Shareholder's votes will be excluded from voting on Resolution 7.

7.2 Board Recommendation

The Board recommends Shareholders vote in favour of Resolution 7. The Chairperson intends to vote undirected proxies in favour of Resolution 7.

8. Resolution 8 – Approval to issue Options to Kate Stoney under Appointment Letter

8.1 General

The Company is seeking approval under Listing Rule 10.11 to issue 1,000,000 Options (on the terms and conditions set out in Schedule 2) to Ms Kate Stoney (or her nominee) under Resolution 8 (**Director Options**).

The Director Options form part of the remuneration package negotiated with Kate Stoney in respect of her appointment as a Director (appointed on 16 February 2021) and was negotiated on an arm's length basis prior to her appointment as a Director.

8.2 ASX Listing Rule 10.11

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

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in section 8.2(a), to 8.2(c); or
- (e) a person whose relationship with the company or a person referred to in section 8.2(a) to 8.2(d) is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it obtains shareholder approval.

The issue of Director Options to Ms Stoney involves the issue of equity securities to a Director and accordingly it falls within Listing Rule 10.11.1. None of the exceptions in Listing Rule 10.12 apply and therefore Shareholder approval is required under Listing Rule 10.11.

If Resolution 8 is passed then the Company will be able to proceed with the issue of the Director Options to Ms Kate Stoney (or her nominees).

If Resolution 8 is not passed then the Company will not be able to proceed with the issue of the Director Options to Kate Stoney (or her nominee), and the Company may be required to remunerate her by way of cash or other means.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Ms Stoney as approval is being obtained under Listing Rule 10.11, and the issue of the equity securities 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.

8.3 Chapter 2E of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director or an entity controlled by a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to giving the benefit.

Ms Stoney is a related party of the Company by virtue of being a Director, and the issue of the Director Options constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The Directors (other than Ms Stoney) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 8 as the issue of the Director Options constitutes

reasonable remuneration. The Director Options are being issued to Ms Stoney as part of the remuneration package agreed between the Company and Ms Stoney and negotiated on an arm's length basis.

8.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) The Director Options will be issued to Ms Kate Stoney (or her nominee).
- (b) Ms Stoney is a Director of the Company and is therefore a related party under ASX Listing Rule 10.11.1.
- (c) Ms Stoney will receive 1,000,000 Options with an exercise price of \$0.12 per Option and an expiry date 3 years from the date of issue. The terms and conditions of the Director Options are set out in Schedule 2.
- (d) The Director Options will be issued no later than 1 month after the date of the Meeting.
- (e) The Director Options are being issued to Ms Stoney to remunerate and incentivise her as part of the remuneration package agreed with the Company. No funds will be raised by the issue of the Director Options as they are being issued for nil cash consideration. If the Director Options are issued and are all subsequently validly exercised, the Company will receive \$120,000.
- (f) The issue of the Director Options is intended to remunerate and incentivise Ms Stoney and, as at the date of this Notice, Ms Stoney's current total remuneration package is \$30,000 which comprises the following:
 - (i) \$30,000 in director fees (plus any statutory superannuation).
- (g) If the Director Options are issued to Ms Stoney under Resolution 8 then her total remuneration package will increase to \$53,152 (based on the current Share price and the Black Scholes valuation methodology of the Options). If the Director Options are issued to Ms Stoney under Resolution 8 and further Options are issued to her under Resolution 11, then her total remuneration package will increase to \$158,352 (based on the current Share price and the valuation methodology of the ESOP Options under a barrier pricing model).
- (h) The Director Options are being issued in accordance with the terms and conditions of Ms Stoney's Director's formal appointment letter (**Appointment Letter**). The key terms of the Appointment Letter are as follows:
 - (i) Ms Stoney accepts the appointment of Non-Executive Director.
 - (ii) The appointment is governed by the Constitution and the Corporations Act.
 - (iii) Ms Stoney may from time to time be required to serve on the Board's committees.
 - (iv) Ms Stoney is entitled to a fee of \$30,000 per annum payable in cash plus any statutory superannuation entitlements.
 - (v) Subject to approval of Shareholders, the Company agreed to issue the Director Options as incentive-based remuneration.
 - (vi) There are no agreed termination payments payable in respect of Ms Stoney's removal as a Director.
- (i) a voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

8.5 Board Recommendation

The Directors (other than Ms Stoney) recommend Shareholders vote in favour of Resolution 8.

As set out under the heading 'Chairperson as proxy' in this Notice of Meeting, the Chairperson intends to vote undirected proxies in favour of Resolution 8.

9. Resolution 9 to 11 – Approval to issue Options to Bronwyn Barnes, Craig Hall and Kate Stoney (ESOP)

9.1 General

The Company is seeking approval under Listing Rule 10.14 to issue a total of 6,000,000 Options to Ms Bronwyn Barnes, Mr Craig Hall and Ms Kate Stoney (or their nominees) (**Recipients**) under the Plan with a nil exercise price (subject to vesting) comprising:

- (a) 2,000,000 Options to Ms Bronwyn Barnes (or her nominee) under Resolution 9;
- (b) 2,000,000 Options to Mr Craig Hall (or his nominee) under Resolution 10;
- (c) 2,000,000 Options to Ms Kate Stoney (or her nominee) under Resolution 11.

Subject to the terms of the Plan, the Options will vest and become exercisable upon the Company's Shares reaching a volume weight average price which is equal to or greater than \$0.14 (14 cents) per Share calculated over 5 consecutive ASX trading days (**Vesting Condition**).

The Options are being issued to the Recipients as part of their remuneration package as a Director and to incentivise and retain them in a manner which promotes alignment of their interests with the interests of Shareholders.

9.2 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders:

- (a) Listing Rule 10.14.1: a director of the company;
- (b) Listing Rule 10.14.2: an Associate of a director of the company; or
- (c) Listing Rule 10.14.3: a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders.

Resolutions 9, 10 and 11 seek the required Shareholder approval for the issue of the Options to the Recipients for the purposes of Listing Rule 10.14.

If Resolutions 9, 10 and 11 are passed, the Company will be able to issue the Options under the Plan to Ms Bronwyn Barnes, Mr Craig Hall and Ms Kate Stoney (or their nominees, respectively).

If Resolutions 9, 10 and 11 are not passed, the Company will not be able to proceed with the issue of the Options under the Plan to Ms Bronwyn Barnes, Mr Craig Hall and Ms Kate Stoney (or their nominees, respectively) and the Company will need to investigate other reward, incentivisation and retention strategies in respect of each Recipient's ongoing role as a Director.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Recipients as approval is being obtained under Listing Rule 10.14, and the issue of the equity securities 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.

9.3 Chapter 2E of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director or an entity controlled by a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to giving the benefit.

Each of the Recipients is a related party of the Company by virtue of being a Director, and the issue of the Options constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

The Directors (other than in respect of their own Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolutions 9, 10 and 11 as the issue of Options under those Resolutions constitutes reasonable remuneration. The Options are being issued to the Recipients as part of their remuneration package in their role as Directors.

9.4 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolutions 9, 10 and 11:

- (a) The Options under Resolutions 9, 10 and 11 will be issued to Ms Bronwyn Barnes, Mr Craig Hall and Ms Kate Stoney (or their nominees) respectively.
- (b) Ms Bronwyn Barnes, Mr Craig Hall and Ms Kate Stoney are Directors of the Company and therefore fall under ASX Listing Rule 10.14.1.
- (c) Each Recipient will receive 2,000,000 Options with a nil exercise price (being 0 cent Options) and an expiry date 3 years from the date of issue.
- (d) The issue of Options is intended to remunerate and incentivise the Recipients and the details of each Recipient's current total remuneration package are set out below:
 - (i) As at the date of this Notice, Ms Bronwyn Barnes has a total remuneration package of \$30,000 which comprises \$30,000 in director fees (plus any statutory superannuation). If the Options are issued under Resolution 9 then her total remuneration package will

- increase to \$135,200 (based on the current Share price and the valuation methodology of the Options under a barrier pricing model).
- (ii) As at the date of this Notice, Mr Craig Hall has a total remuneration package of \$30,000 which comprises \$30,000 in director fees (plus any statutory superannuation). If the Options are issued under Resolution 10 then his total remuneration package will increase to \$135,200 (based on the current Share price and the valuation methodology of the Options under a barrier pricing model).
 - (iii) As at the date of this Notice, Ms Kate Stoney has a total remuneration package of \$30,000 which comprises \$30,000 in director fees (plus any statutory superannuation). If the Options are issued under Resolution 11 then her total remuneration package will increase to \$135,200 (based on the current Share price and the valuation methodology of the Options under a barrier pricing model). If the Options are issued to Ms Stoney under Resolution 11 and further Options are issued to her under Resolution 8, then her total remuneration package will increase to \$158,352 (based on the current Share price and the Black Scholes valuation methodology of the Director Options).
- (e) No Options or other securities have previously been issued to the Recipients under the Plan.
- (f) The Options are being issued under the terms of Plan (which are summarised in Schedule 3) and are otherwise issued subject to the following terms and conditions:
- (i) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
 - (ii) The Options will vest and become exercisable upon the Company's Shares reaching a volume weight average price which is equal to or greater than \$0.14 (14 cents) per Share calculated over 5 consecutive ASX trading days.
 - (iii) The expiry date of the Options will be the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (iv) The Options have a nil exercise price and no money will be paid upon exercise of each Option (subject to satisfaction of the Vesting Condition).
 - (v) The Options are unlisted, non-transferable and do not carry any voting or dividend rights until converted into Shares. The Options do not entitle the holder to receive notice of, or to vote or attend at, a meeting of the Shareholders.
- (g) The Board has chosen to issue the Options (as opposed to another type of security) to the Recipients for the following reasons:
- (i) the Options are unlisted and therefore the grant of the Options has no immediate dilutionary impact on Shareholders;
 - (ii) the Options are subject to the Vesting Condition which will align the interests of the Recipients with the Shareholders, and the Vesting Condition ensures that the Recipients will only be able to exercise the Options in circumstances where Shareholder value has significantly increased since the date of this Notice of Meeting;
 - (iii) the issue of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were provided; and
 - (iv) certain tax implications were considered in relation to the issue, vesting and exercise of the Options by the Recipients.
- (h) The Company values the 6,000,000 Options at a total of \$315,600 (being \$105,200 per Recipient) using a barrier option pricing model (being the maximum value assuming the Vesting Condition will be achieved by the expiry date), utilising the following assumptions:
- (i) Valuation date: 19 October 2021;
 - (ii) Market price of Shares: \$0.068;
 - (iii) Exercise price: Nil;
 - (iv) Term: 3 years; and
 - (v) Risk free interest rate: 0.13%.
- (i) The Options will be issued within three (3) years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (j) The Options will be issued for nil cash consideration but rather as an equity-based component of each Recipient's remuneration package. Accordingly, no funds will be raised by the Company as a result of the issue of the Options. As the Options have a nil exercise price, no funds will be raised upon exercise of the Options.

- (k) The key terms of the Plan are set out in Schedule 3.
- (l) No loans are being provided in connection with the issue or conversion of the Options.
- (m) 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.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after this Resolution (assuming it is approved) and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.
- (o) A voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

9.5 Board Recommendation

- (a) The Directors (other than Ms Bronwyn Barnes) recommend Shareholders vote in favour of Resolution 9.
- (b) The Directors (other than Mr Craig Hall) recommend Shareholders vote in favour of Resolution 10.
- (c) The Directors (other than Ms Kate Stoney) recommend Shareholders vote in favour of Resolution 11.

As set out under the heading 'Chairperson as proxy' in this Notice of Meeting, the Chairperson intends to vote undirected proxies in favour of Resolutions 9, 10 and 11.

SCHEDULE 1 - DEFINITIONS

In this Notice:

10% Placement Facility	means the facility provided for under Listing Rule 7.1A for the Company to issue additional Equity Securities up to 10% of its issued share capital through issues over a 12-month period following the date of the Meeting.
Accounting Standards	has the meaning given to that term in the Corporations Act
Annual General Meeting or Meeting	means the annual general meeting of Shareholders the subject of this Notice.
Annual Report	means the annual report of the Company for the year ended 30 June 2021.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
Board	means the board of Directors.
Chairperson or Chair	means the Chairperson of the Meeting.
Closely Related Party (in respect of a member of the Key Management Personnel)	means: <ul style="list-style-type: none">• a spouse or child of the member;• a child of the member's spouse;• a dependent of the member or the member's spouse;• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;• a company the member controls; or• a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.
Company	means Scorpion Minerals Limited (ACN 115 535 030).
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Equity Securities	has the same meaning given in the Listing Rules
Explanatory Statement	means this explanatory statement which forms part of this Notice.
KMP or Key Management Personnel	has the meaning given to that term in the Accounting Standards
Listing Rules	means the listing rules of the ASX.
Notice	means this notice of Meeting.
Option	means an option to acquire a Share.
Ordinary Resolution	means a resolution that has been passed by at least 50% of the votes cast by Shareholders entitled to vote on the Resolution.
Plan	means the Company's Employee Option Plan approved by Shareholders on 30 November 2020.
Remuneration Report	means the remuneration report set out in the Directors' report section of the Company's Annual Report.
Reports	means the financial report, the Directors' report (including the Remuneration Report) and the auditor's report.
Related Party	has the meaning given to that term in the Corporations Act
Resolution	means a resolution set out in the Notice.
Share	means an ordinary fully paid share in the capital of the Company.
Shareholder	means holder of a share in the Company.

Special Resolution	means a resolution that has been passed by at least 75% of the votes cast by shareholders entitled to vote on the Resolution.
Trading Day	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
WST	means Western Standard Time.

SCHEDULE 2 – DIRECTOR OPTION TERMS AND CONDITIONS

The terms and conditions of the Options to be issued under Resolution 8 are as follows:

(a) Entitlement

Subject to paragraph (n), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraphs (k) and (m), the amount payable upon exercise of each Option is \$0.12 per Option (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

As soon as practicable after the valid exercise of an Option, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Restrictions on transfer or disposal of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

(i) Shares issued on exercise

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

(j) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) Reconstruction of capital

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

(l) Participation in new issues

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

(m) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(o) Unquoted

The Company will not apply for quotation of the Options on ASX.

(p) Transferability

The Options are only transferable with the prior written approval of the Board and subject to compliance with the Corporations Act and the ASX Listing Rules.

SCHEDULE 3 - TERMS AND CONDITIONS OF EMPLOYEE OPTION PLAN

The key terms of the Employee Option Plan (**Plan**) are as follows:

1. **Eligibility:** Persons who may participate in the Plan are those people who meet the requirements of an eligible participant under ASIC Class Order 14/1000, and whom the Board determines is eligible to participate in the Plan (**Eligible Participant**).
2. **Purpose:** 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 by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Options.
3. **Offer of Options:** The Board may offer Options to Eligible Participants in accordance with the Plan terms and conditions and subject to the Listing Rules. The Board may make an Invitation to an Eligible Participant to apply for Options on such terms and conditions as the Board decides, including as to:
 - (a) the number of Options for which that Eligible Participant may apply;
 - (b) the grant date;
 - (c) the amount payable (if any) for the grant of each Option or how such amount is calculated;
 - (d) the Option exercise price;
 - (e) the vesting conditions (if any);
 - (f) disposal restrictions attaching to Shares issued or transferred on conversion of the Options (**Plan Shares**) (if any);
 - (g) whether cashless exercise of the Options is permitted;
 - (h) any other supplementary terms and conditions.
4. **Acceptance:** On receipt of an Invitation, an Eligible Participant may apply for the Options the subject of the Invitation by completing and returning an Application Form to the Company by the time and date specified in the Invitation.
5. **Refusal of Application:** Unless otherwise determined by the Board, an Application Form will not be accepted if at the time the Company received the duly completed Application Form:
 - (a) the applicant is not an Eligible Participant;
 - (b) notice of termination of the applicant's Engagement Arrangement has been given (whether by the applicant or by one or more members of the Group); or
 - (c) the Board has determined that the applicant is no longer eligible to participate in the Plan.
6. **Participant Rights:** Prior to an Option being exercised:
 - (a) an Eligible Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Option; and
 - (b) a Participant is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; and
 - (ii) receive any dividends declared by the Company, by virtue of holding the Option.
7. **Restriction of dealing:** Unless the relevant dealing is effected by force of law on death or legal incapacity to the Eligible Participant's legal personal representative, an Eligible Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option that has been granted to them. The Option is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a security interest.
8. **Vesting:** If vesting conditions apply in respect of the Options, an Option will vest when a vesting notice in respect of that Option is given to the Eligible Participant. A vesting condition for an Option may, subject to applicable laws, be waived by the Board. An Option may not be exercised unless and until that Option has vested.
9. **Forfeiture:** An Eligible Participant will forfeit rights or interest in Options in the following circumstances:
 - (a) He or she ceases to be an Eligible Participant, unless the Board otherwise determines in its discretion to permit some or all of the Options to vest.
 - (b) The Eligible Participant has in the opinion of the Board:

- (i) acted fraudulently or dishonestly; or
 - (ii) wilfully breached his or her duties to the Company,
- and the Board in its discretion deems unvested Options to be forfeited.
- (c) Unless otherwise determined by the Board, an Option which has not vested will be forfeited immediately on the date that the Board determines that any applicable vesting conditions have not been met or cannot be met.
 - (d) Unless otherwise stated in the Invitation or determined by the Board, Options will be forfeited immediately on the date that an Eligible Participant becomes insolvent.
 - (e) Unless the Board otherwise determines, or as otherwise set out in the terms of the Pan, any Options which have not vested on the expiry date will automatically be forfeited.
 - (f) An Eligible Participant may by written notice to the Company voluntarily forfeit their Options for no consideration.
10. **Change of Control:** if a change of control event occurs in respect of the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any Options are dealt with, including, without limitation, in a manner that allows the Eligible Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
11. **Plan Shares:** All Shares issued or transferred on exercise of the Options (**Plan Shares**) will rank pari passu in all respects with other fully paid ordinary shares in the Company.
12. **Disposal Restrictions on Plan Shares:** If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by an Eligible Participant for a period, the Board may implement any procedure it deems appropriate to ensure compliance with this restriction.
13. **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 Eligible Participant holding Options 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.
14. **Bonus Issue:** If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue, the holder of Options is entitled, upon exercise of the Options, to receive, in addition to the Shares in respect of which the Options are exercised, an allotment of as many additional Shares as they would have been issued under the bonus issue.
15. **Rights Issue:** Unless otherwise determined by the Board, a holder of Options does not have the right to participate in a pro rata issue of Shares made by the Company.

PROXY FORM

APPOINTMENT OF PROXY SCORPION MINERALS LIMITED ACN 115 535 030

2021 ANNUAL GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11.00am (WST), on Wednesday, 24 November 2021 at Unit 1/24 Mumford Place, Balcatta WA 6021, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Kate Stoney as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Craig Hall as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Placement Shares (August 2021)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ratification of Shares (Drill for Equity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval to Issue Shares (Satisfaction of Debt)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval to issue Options to Kate Stoney under Appointment Letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval to issue Options to Bronwyn Barnes (ESOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Approval to issue Options to Craig Hall (ESOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Approval to issue Options to Kate Stoney (ESOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1, 8, 9, 10 and 11

Chair authorised to exercise undirected proxies on remuneration related Resolution - Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default) and I/we am/are entitled to vote on the relevant Resolutions I/we expressly authorise the Chair to exercise my/our proxy even though Resolution 1, 8, 9, 10 and 11 is connected directly or indirectly with the remuneration of a member of the KMP of the Company and even though the Chair is a member of the key management personnel for the Company.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
4. **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
5. **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
6. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
7. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:

In person at Unit 1/24 Mumford Street, Balcatta WA 6021

By post to Unit 1/24 Mumford Street, Balcatta WA 6021

By facsimile to +61 8 6241 1811

By email to info@scorpionminerals.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.
