

Cape Lambert Resources Limited

ACN: 095 047 920

Notice of Extraordinary General Meeting

An Extraordinary General Meeting of Cape Lambert Resources Limited will be held at:

- 32 Harrogate Street, West Leederville, Western Australia 6007; and
- 9:00am (WST) on 6 October 2020.

In accordance with subsection 5(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Notice. For shareholders that the Company has email addresses on records, the Company will send a copy of this Notice and material relating to the Meeting or provide a link to where the Notice and other material can be viewed or downloaded by email. To the other Shareholders, the Company will send a letter or postcard setting out a URL for viewing or downloading the Notice and other material. Shareholders can access a copy of the Notice at the following link: www.capelam.com.au.

This notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting. Please contact the Company Secretary on + 61 9380 9555 or melissac@capelam.com.au if you wish to discuss any matter concerning the Meeting.

Cape Lambert Resources Limited
ACN 095 047 920

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Cape Lambert Resources Limited will be held at 32 Harrogate Street, West Leederville, Western Australia 6007 at 9:00am (WST) on 6 October 2020 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting.

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

Proxy Forms must be received by no later than 9:00am (WST) on 4 October 2020.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

The business of the Meeting affects your shareholding and your vote is important. This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 4 October 2020.

AGENDA

RESOLUTION 1 - APPROVAL TO VARY THE FLOOR PRICE FOR THE REMAINING WINANCE NOTES

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 reduction of the floor price for the conversion of Winance Notes issued under the Winance Facility from \$0.005 per Share to \$0.002 per Share, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF SHARES UNDER WINANCE DEBT CONVERSION

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 186,000,000 Shares at a deemed issue price of \$0.0015 per Share

to Winance or its nominee in satisfaction of debts, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 3 - ISSUE OF SHARES TO WINANCE IN SATISFACTION OF INTEREST

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 Shares to Winance or its nominee in satisfaction of \$219,778 interest under the Winance Loan, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 4 - ISSUE OF SHARES TO OKEWOOD

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 196,248,087 fully paid ordinary shares in the capital of the Company at an issue price of \$0.0015 per share to Okewood Pty Limited or its nominee in satisfaction of consultancy fees and debts, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 5 - ISSUE OF SHARES TO HAVEN RESOURCES

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 10,618,667 fully paid ordinary shares at an issue price of \$0.0015 per share to Haven Resources Pty Ltd or its nominee in satisfaction of director fees, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 6 - ISSUE OF SHARES TO CRMS

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 22,000,000 fully paid ordinary shares at an issue price of \$0.0015 per share to Marnichar Nominees Pty Ltd ATF the Hallemar Trust trading as CRMS or its nominee in satisfaction of director fees, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 7 - APPROVAL TO ISSUE SECURITIES TO THE NEW CHAIRMAN

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 20,000,000 Shares at a deemed issue price of \$0.0017 per Share and 120,000,000 Performance Rights to Mr Terry Donnelly, the newly appointed non-executive chairman of the Company, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 8 - APPROVAL TO ISSUE SHARES UNDER A PROPOSED PLACEMENT

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 1,176,470,588 Shares at an issue price of \$0.0017 per Share to raise a maximum of \$2 million, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 9 - APPROVAL TO ISSUE SHARES TO SATISFY DEBTS - BENNETT AND CO

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 125,631,533 Shares at an issue price of \$0.0015 per Share to satisfy debts owed to a creditor, Bennett and Co, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 10 - RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS

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 20,000,000 Placement Shares and 20,000,000 Placement Options to institutional and sophisticated investors under the Placement, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 11 - RATIFICATION OF PRIOR ISSUE OF PLACEMENT OPTIONS

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 1,200,000 Placement Options issued to Empire Capital Partners, and otherwise on the terms set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

RESOLUTION 12 - CHANGE OF COMPANY NAME

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

“That for the purposes of section 157(1)(a) of the Corporations Act and all other purposes, approval is given for the name of the Company to be changed to ‘Cyclone Metals Limited’.”

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Under Listing Rule 14.11, the Company will disregard any votes cast in favour of a resolution by or on behalf of:

- (a) the below named person or class of persons excluded from voting; or
- (b) an associate of that person or those persons:

Resolution	Persons excluded from voting
Resolution 1 - Approval to vary the floor price for the remaining Winance Notes	Winance Investment LLC and its associates.
Resolution 2 - Ratification of prior issue of Shares under Winance Debt Conversion	Winance Investment LLC and its associates.
Resolution 3 - Issue of Shares to Winance in Satisfaction of Interest	Winance Investment LLC and its associates.
Resolution 4 - Issue of Shares to Okewood	Okewood and its associates.
Resolution 5 - Issue of Shares to Haven Resources	Haven Resources and its associates.
Resolution 6 - Issue of Shares to CRMS	CRMS and its associates.

Resolution 7 - Approval to issue Mr Terry Donnelly and his associates.
Securities to the new chairman

Resolution 8 - Approval to issue A person who is expected to participate in, or who
Shares under a Proposed Placement will obtain a material benefit as a result of, the
proposed issue (except a benefit solely by reason of
being a holder of ordinary securities in the entity)
or any associate of such person.

Resolution 9 - Approval to issue Bennett and Co and its associates.
Shares to satisfy debts - Bennett
and Co

Resolution 10 - Ratification of prior Persons who participated in the issue or is a
issue of Placement Shares and counterparty to the agreement being approved, or
Placement Options any associate of those persons.

Resolution 11 - Ratification of prior Persons who participated in the issue or is a
issue of Placement Options counterparty to the agreement being approved, or
any associate of those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the 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 as 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.

By order of the Board of Directors

Ms Melissa Chapman
Company Secretary
2 September 2020

Explanatory Statement

1 □ INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 32 Harrogate Street, West Leederville, Western Australia 6007 at 9:00am (WST) on 6 October 2020. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

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

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A Proxy Form is located at the end of this Explanatory Statement.

ASX takes no responsibility for the contents of the Notice or Explanatory Statement.

Please contact the Company Secretary on + 61 9380 9555 or by email at melissac@capelam.com.au if you wish to discuss any matter concerning the Meeting.

2 □ ACTION TO BE TAKEN BY SHAREHOLDERS

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

2.1 □ Voting by Proxy

To vote by proxy, please complete and sign and return the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has the right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolutions.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 9:00am (WST) on 4 October 2020. Any Proxy Form received after that time will not be valid for the Meeting.

Shareholders can appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business, and the Chair of the Meeting must follow your instructions.

2.2□ Voting in person

In light of the status of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings in place at the date of this Notice of Meeting, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach local public health laws and regulations.

2.3□ Corporate representatives

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

2.4□ Eligibility to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 4 October 2020.

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

3 □ INTRODUCTION

3.1 □ Introduction

On 31 July 2019, the Company announced a facility with Winance (**Winance Facility**) under which the Company can draw down up to \$15 million through the issue of convertible notes (**Winance Notes**). The terms and conditions of the Winance Facility were first announced to ASX on 31 July 2019 and are summarised in section 4.2 below.

On 9 August 2019, the Company issued 1,200 Winance Notes (with a total face value of \$1,200,000) consisting of 480 Winance Notes that could convert without Shareholder approval and 720 Winance Notes which required Shareholder approval prior to conversion hence were debt securities (**720 Winance Debt Notes**). At the Company's annual general meeting on 11 February 2020, Shareholders ratified the issue of the 480 Winance Notes and approved the issue of 720 Winance Notes (replacing the 720 Winance Debt Notes) that could convert at the election of Winance in accordance with the terms of the Winance Notes and without Shareholder approval. The 720 Winance Notes were issued on 11 February 2020. The issue of any further Winance Notes is subject to the Listing Rules, and specifically whether the Company can, prior to draw down and issue, either obtain prior Shareholder approval or utilise its 15% capacity under Listing Rule 7.1.

As of the date of this Notice, the Company has 10 Winance Notes with a total face value of \$10,000 remaining on issue (**Remaining Winance Notes**) with a floor price for conversion at \$0.005 per Share (**Current Floor Price**). The 30-day VWAP of the Company's Shares on ASX before the date of this Notice is \$0.0026, which is below the Current Floor Price. Under the Winance Facility, in the event the conversion price is less than the Current Floor Price at conversion, the Company must:

- (a) issue the number of Shares equal to the conversion amount divided by the Current Floor Price; and
- (b) pay Winance the shortfall amount (calculated in accordance with the terms of the facility) in cash (**Shortfall Cash Payment**).

The Shortfall Cash Payment is a significant cash cost for the Company at a time when it has limited cash. For that reason, Winance and the Company have agreed, subject to Shareholder approval under Listing Rule 7.1, to reduce the Current Floor Price under the Winance Facility to a new floor price of \$0.002 per Share (**New Floor Price**). This will allow Winance to convert the Remaining Winance Notes (and any further Notes issued under the Winance Facility) while relieving the Company from making Shortfall Cash Payment in relation to the conversion and conserving cash. The maximum number of Shares that can, applying the New Floor Price, be issued under the Remaining Winance Notes is 5,000,000 Shares.

On 5 June 2020, the Company announced that it has agreed with certain creditors and short-term loan holder to convert current debt of \$622,300 into equity (**Debt Conversion**) at a price of \$0.0015 per Share, consisting of:

- (a) \$279,000 owed to Winance, in satisfaction of interest on a loan facility provided by Winance (**Winance Loan**) and the Shortfall Cash Payment (**Winance Debt Conversion**); and
- (b) \$343,300 owed to entities controlled by the Directors and a former Director in satisfaction of consultancy/director fees and rent under a related party lease for the Company's office at 32 Harrogate Street, West Leederville (subject to shareholder approval) (**Directors Debt Conversion**).

Shares under the Winance Debt Conversion were issued on 5 June 2020 using the Company's 15% capacity under Listing Rule 7.1 and without Shareholder approval. Shareholder approval under Listing Rule 7.4 is sought under Resolution 2 to ratify the issue.

On 30 June 2020, the Company announced that it had varied terms of the Winance Loan on terms set out in section 4.1, including, subject to Shareholder approval, the satisfaction of interest under the loan through the issue of Shares. Resolution 3 seeks Shareholder approval under Listing Rule 7.1 for the proposed issue.

Resolutions 4 to 6 seek Shareholder approval under Listing Rule 10.11 for issues under the Directors Debt Conversion.

As announced on 4 August 2020, so that Mr Sage can focus on his role as an executive Director, the Company appointed Mr Terry Donnelly as the independent non-executive chairman of the Company with effect from 4 August 2020.

Mr Donnelly is entitled to an annual director fee of \$60,000. As a sign-on bonus and subject to Shareholder approval, the Company will issue Mr Donnelly (or his nominee) 20,000,000 Shares at a deemed issue price of \$0.0017 per Share. The Company has also agreed, subject to Shareholder approval, to issue Mr Donnelly 120,000,000 Performance Rights that each convert to 1 Share upon milestones (as set out below) being met. Resolution 7 seeks Shareholder approval under Listing Rule 10.11 for the proposed issues.

The Company proposes, subject to Shareholder approval, to undertake a placement, to Australian and international based sophisticated investors, at an issue price of \$0.0017 per Share to raise up to \$2,000,000 (before expenses) (**Proposed Placement**). The funds raised will be used to repay debt and for general working capital purposes, as detailed in section 7.1. Resolution 8 seeks Shareholder approval under Listing Rule 7.1 for the Company to undertake the Proposed Placement.

The Company has agreed with Bennett and Co to satisfy a debt of \$188,447.30 owed by the Company by issuing a total of 125,631,533 Shares at an issue price of \$0.0015 per Share. Resolution 9 seeks Shareholder approval under Listing Rule 7.1 for the Company to proceed with the issue.

On or around 21 February 2020, the Company undertook a placement of 20,000,000 Shares (**Placement Shares**) with an attaching Option (**Placement Option**) for every Share issued to a sophisticated investor at an issue price of \$0.005 per Share (**Placement**). The Placement was undertaken without Shareholder approval, with

the Placement Shares issued using the Company's 10% capacity under Listing Rule 7.1A and the Placement Options issued using the Company's 15% capacity under Listing Rule 7.1.

The Company also issued 1,200,000 Placement Options to the lead manager of the Placement with the Company's 15% capacity under Listing Rule 7.1.

Resolutions 10 and 11 seek Shareholder approval under Listing Rule 7.4 to ratify the issues.

The Company's capital structure and dilutive effect of the issue of the securities the subject of the Resolutions on existing Shareholders are set out in section 3.2 below.

3.2 Effect on the capital structure of the Company

The effect of the various issues on the capital structure of the Company is as follows (assuming no other Shares are issued and Options for which ratification is sought are exercised):

Item	Number	Percentage prior to exercise of Options and Performance Rights	Percentage after exercise of Options and Performance Rights
Shares currently on issue (excluding Shares for which ratification is sought under Resolutions 2 and 10)	1,530,981,667	44.51%	42.76%
Maximum number of Shares to be issued under the Remaining Winance Notes (Resolution 1)	5,000,000	0.15%	0.14%
Shares issued under Winance Debt Conversion (Resolution 2)	186,000,000	5.41%	5.19%
Maximum number of Shares to be issued to Winance for interest (Resolution 3) ¹	146,518,667	4.26%	4.09%
Shares to be issued to Directors (Resolutions 4 -6)	228,866,754	6.65%	6.39%

Shares to be issued to the newly appointed chairman (Resolution 7)	20,000,000	0.58%	0.56%
Maximum number of Shares to be issued under the Proposed Placement (Resolution 8)	1,176,470,588	34.21%	32.86%
Shares to be issued to satisfy debts (Resolution 9)	125,631,533	3.65%	3.51%
Shares issued under Placement (Resolution 10)	20,000,000	0.58%	0.56%
Total Shares prior to vesting of any Performance Rights and exercise of any Options	3,439,469,209	100.00%	96.06%
Maximum number of Shares that can be issued upon the Performance Rights vesting (Resolution 7)	120,000,000	N.A.	3.35%
Shares to be issued on exercise of all the Placement Options for which ratification is sought (Resolution 10)	20,000,000	N.A.	0.56%
Shares to be issued on exercise of all the Placement Options for which ratification is sought (Resolution 11)	1,200,000	N.A.	0.03%
Total following vesting of all Performance Rights and exercise of all Placement Options for which ratifications are sought	3,580,669,209	N.A.	100.00%

¹ Assuming an issue price of \$0.0015 per Share.

3.3□ Listing Rules

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

Listing Rule 7.4 allows shareholders to ratify an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Broadly speaking, Listing Rule 10.11 requires prior shareholder approval for the issue of equity securities to related parties (which includes directors, certain relatives and their controlled entities), except for certain issues.

Securities issues that are approved by Shareholders under Listing Rule 7.4 and 10.11 are not included in calculating an entity's 15% capacity under Listing Rule 7.1.

3.4□ Ongoing listing

ASX has advised the Company that, in light of the loss of its Marampa project, the Company has until 16 October 2020 to satisfy ASX that it is complying with Listing Rule 12.1, failing which the Company's Shares may be suspended from trading.

Listing Rule 12.21 provides that the level of a company's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the company's securities and its continued listing.

4□ RESOLUTIONS 1 TO 3 - WINANCE NOTES AND WINANCE LOAN

4.1□ Introduction

The terms of the Winance Facility include, among other things, that in the event the conversion price is less than the Current Floor Price at conversion, the Company will issue the number of Shares equal to the conversion amount divided by the Current Floor Price and also pay Winance the Shortfall Cash Payment. As of 5 June 2020, the Company was indebted to Winance for \$60,000 (the Shortfall Cash Payment in relation to Winance's partial conversion of Winance Notes on 25 February and 5 March 2020).

Resolution 1 seeks Shareholder approval under Listing Rule 7.1 to reduce the floor price for the conversion of Notes issued under the Winance Facility (including the Remaining Winance Notes) from the Current Floor Price for conversion of \$0.005 per Share to a New Floor Price for conversion of \$0.002 per Share. The reason for reducing the Floor Price is to reduce the risk that the Company must pay a Shortfall Cash Payment to Winance. The Company currently has cash reserves of around \$208,000 and any Shortfall Cash Payment to Winance will be a significant liability and cash drain to the Company.

The maximum number of Shares that could be issued before and after the change of the floor price is as follows:

	Maximum number of Shares that can be issued under the 10 Remaining Winance Notes
Current Floor Price (\$0.005 per Share)	2,000,000
New Floor Price (\$0.002 per Share)	5,000,000

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

The reduction of the floor price will result in the issue of up to an additional 3,000,000 Shares. The issue does not fall within any of the exceptions to the 15% limit and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1. Resolution 1 seeks the required shareholder approval for that purpose.

If Resolution 1 is passed, the Company can vary the floor price for the Remaining Winance Notes and any further Notes that may be issued under the Winance Facility (the issue of which is subject to Listing Rule 7.1), and up to an additional 300,000 Shares can be issued per Winance Note. If Resolution 1 is not passed, the Company will not reduce the Current Floor Price and the Company will be required to pay Shortfall Cash Payments to Winance in the event that Winance converts the Remaining Winance Notes and any further Notes issued under the Winance Facility whilst the prevailing Share price is below the Current Floor Price. There is a significant risk that the Company may not have sufficient funds to do so, and as a result may have to raise funds through the issue of Shares or disposal of assets (both of which take time and expose the Company to the risk that this may not be achieved). Shareholders should note that any further capital raising may be dilutive to the Shareholders. There is a risk that the Company may not be able to continue on a going concern basis.

On 24 January 2020, the Company announced a \$2.2 million secured loan facility with Winance (**Winance Loan**). The Winance Loan was for a term of 6 months and accrues interest of 20% during that period (the details of the terms were announced to ASX on 24 January 2020). As of 5 June 2020, the Company was indebted to Winance in the amount of \$219,000 for interests under the Winance Loan for March, April and May 2020 (**Winance Loan Interest**).

As a result, as of 5 June 2020, the Company was indebted to Winance for \$279,000 consisting of:

- (a) \$60,000 Shortfall Cash Payment; and

(b) \$219,000 Winance Loan Interest for the period from March to May 2020.

On 5 June 2020, the Company announced the Debt Conversion which included the \$279,000 Winance Debt Conversion at an issue price of \$0.0015 per Share, and issued 186,000,000 Shares (**Winance Debt Conversion Shares**) to Winance under the Winance Debt Conversion.

A summary of the Listing Rule 7.1 is set out above. Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. Resolution 2 seeks shareholder approval under Listing Rule 7.4 to ratify the issue of the Winance Debt Conversion Shares.

If Resolution 2 is passed, the issue will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 months following the issue. If Resolution 2 is not passed, the issue will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 months following the issue.

On 30 June 2020, the Company announced that the parties had agreed to vary the Winance Loan as follows:

- (c) The maturity date of the Winance Loan was extended to 30 November 2020.
- (d) Subject to the Listing Rules, the Company can at its election satisfy its obligation to pay interest under the Winance Loan through the issue of Shares at the lesser of a 10% discount to the lowest daily VWAP over 5 days and \$0.0015 per Share.

As a result, the Company will be indebted for the amount of \$219,778 to Winance in interest under the Winance Loan for the period from June to November 2020. As announced on 30 June 2020, the first payment of the interest was due on 15 August 2020. As announced on 17 August 2020, the parties are currently in negotiation over payment under the Winance Loan. Pending finalization of these negotiations, Winance has advised the Company that it will forebear from taking any action in relation to the loan.

A summary of the Listing Rule 7.1 is set out above. The proposed issue under Resolution 3 does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1. Resolution 3 seeks Shareholder approval under Listing Rule 7.1 to satisfy the Company's obligation to pay \$219,778 interest under the Winance Loan for the period of June to October 2020 through the issue of Shares with an issue

price being the lesser of a 10% discount to the lowest daily VWAP over 5 days and \$0.0015 per Share.

As the issue price under Resolution 3 is linked to the market price of the Company's Shares on ASX, the issue could be highly dilutive to existing Shareholders if the market price of the Shares falls substantially over the period from the date of the Notice to when they are issued, the maximum number of Shares that can be issued under Resolution 3 and dilution to existing Shareholders under different scenarios are set out as follows:

Item	Minimum 5 day VWAP of \$0.001		Maximum issue price of \$0.0015	
	Number	% ¹	Number	% ¹
Resolutions 3 (\$219,778)	219,778,000	11.23	146,518,667	7.78

¹ This is the percentage of the total issued Shares (1,736,981,667 Shares) of the Company as of the date of the Notice, assuming no further Shares other than Shares under Resolution 3 are issued.

If Resolutions 3 is passed, the Company can, at its election, issue Shares in satisfaction of its obligation to pay interest under the Winance Loan. The issue will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 3 is not passed, the Company will not be able to proceed with the issue and the Company will have to pay Winance the interest under the Winance Loan in cash. As the Company currently has limited cash reserves, if Resolution 3 is not passed, the Company will need to raise further capital to satisfy its interest obligations. Shareholders should note that any further capital raising will be dilutive to the Shareholders and should the Company not be able to raise further funds, it may not be able to operate on a going concern basis.

4.2□ Key terms of Winance Facility and Notes

A summary of the terms of the Winance Facility and Notes is as follows:

- (a) On 9 August 2019, 1,200 Notes with a total face value of \$1.2 million were issued, with Notes with a total face value of \$10,000 outstanding.
- (b) Further drawdowns of up to \$13.8 million are at the Company's election available in tranches of \$500,000 each upon full conversion of the Winance Notes from the previous drawdown, subject to:
 - (i) a cooling off period calculated based on the value of the tranche and average trading volumes during the preceding 60-day period; and

- (ii) prior approval by the Company's shareholders for the issue and conversion of the Winance Notes.
- (c) There are no fees or penalties if no subsequent drawdowns are made.
- (d) The issue price for each Winance Note is 98% of the face value (\$1,000), representing a 2% discount.
- (e) The Notes are, subject to prior shareholder approval where required, convertible at any time by the holder at 90% of the lowest closing VWAP over 12 days prior to the conversion date, provided that the conversion price is at least \$0.005 per Share (**Current Floor Price**). Shareholders have approved conversion of the Winance Notes on issue on 11 February 2020.
- (f) In the event the conversion price is less than the Floor Price, the Company will issue the number of Shares equal to the conversion amount divided by the Floor Price with the shortfall amount (calculated based on the conversion amount less value of the number of Shares multiplied by 90% of the lowest closing VWAP over twelve (12) days prior to the conversion date) payable in cash.
- (g) In the event the closing VWAP for any 5 trading day period falls below 135% of the Floor Price, Winance may, at its discretion, decline further drawdowns. Drawdowns may resume if the VWAP for 20 consecutive trading days over 135% of the Floor Price.
- (h) The minimum conversion amount is \$20,000.
- (i) The Winance Notes bear no interest and are unsecured.
- (j) The Winance Notes have a maturity date of 24 months from the date of issue.
- (k) Winance will receive a commitment fee of 5% of the investment amount at the funding of each tranche payable in cash.
- (l) Kapital Global Advisors Limited, the broker who facilitated the Winance Facility, will receive a broker fee of 5% of the investment amount at the funding of each tranche payable in cash.
- (m) In the event of default, Winance is entitled to issue a redemption notice which requires the Company to repay the outstanding amount together with interest at 10% per annum (accruing from issue to redemption). Following are the material events of default:
 - (i) a default by the Company in the due performance of any of its obligations under the agreement which, if curable, is not cured within 6 business days;
 - (ii) the Shares are de-listed from ASX or the Frankfurt Open Market (FOM) without Winance's consent;
 - (iii) the Shares being suspended by the ASX or FOM from trading on the ASX market, and/or the FOM for more than 5 days in any 12 month

period or there is any other restriction on the ability of Winance to trade Shares on the ASX or the Frankfurt Open Market;

- (iv) any refusal by the Company's statutory auditors to certify the Company's financial statements;
 - (v) a material adverse change or change of control has occurred;
 - (vi) the Company fails to either pay any indebtedness in excess of A\$100,000 when due, or to observe or perform any agreement evidencing or securing any such indebtedness for a period of time which would cause or permit the acceleration of the maturity thereof, except if such indebtedness is contested in good faith by the Company;
 - (vii) the Company voluntarily suspends or discontinues substantially all of its business, liquidates substantially all of its assets except for fair consideration or on an arm's length basis, administration or bankruptcy, moratorium, insolvency or similar proceedings for relief of financially distressed debtors shall be instituted by or against the Company and shall not have been discharged within 3 months;
 - (viii) a final judgement for in excess of A\$100,000 is made against the Company, and it is not satisfied or stayed for any appeal within 20 business days;
 - (ix) the Company fails to issue either a cleansing notice that complies with section 708(5) of the Corporations Act or lodge a prospectus with ASIC for the purposes of section 708A(11) of the Corporations Act on the date of issue of the Shares; or
 - (x) Shareholders do not approve the resolutions with respect to the Tranche B Winance Notes.
- (n) The Company gives warranties considered typical for a financing facility of this nature.

4.3 □ Resolution 1 - Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the variation of the floor price for Notes issued under the Winance Facility (including the Remaining Winance Notes):

- (a) The Remaining Winance Notes were issued to Winance, who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) 10 Remaining Winance Notes are on issue. The total maximum number of Shares may be issued upon conversion of the 10 Remaining Winance Notes with the New Floor Price is 5,000,000 Shares (assuming an issue price equal

to the New Floor Price) as compared to 2,000,000 Shares under the Current Floor Price (assuming an issue price equal to the Current Floor Price).

Further drawdowns of up to \$13.8 million are at the Company's election available in tranches of \$500,000 each upon full conversion of Notes from previous drawdowns, subject to restrictions set out in section 4.2.

- (c) Other than the floor price which is proposed to be changed from \$0.005 per Share to \$0.002 per Share, the terms of the Remaining Winance Notes remain unchanged. A summary of those terms is set out in section 4.2 and were approved by Shareholders on 11 February 2020. Securities issued on conversion will be fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (d) The Remaining Winance Notes have been issued, and it is intended that the change of the floor price will become effective upon shareholder approval at the Meeting.
- (e) The approval is sought to vary the floor price for the Remaining Winance Notes for which the Company received \$9,800 (being 98% of the face value of the 10 Remaining Winance Notes).
- (f) The purpose of the approval is to reduce the floor price for the Remaining Winance Notes, for which the Company received \$9,800, and for any further issue of Notes under the Winance Facility (up to \$13.8 million). Funds raised under the issue were used as set out in section 7.1(a) of the notice of meeting announced to ASX on 6 January 2020.
- (g) Other than those set out in section 3.1 and this section 4, there are no other material terms in relation to the Remaining Winance Notes.
- (h) A voting exclusion statement is included in the Notice.

4.4 □ Resolution 2 - Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided for the ratification of the issue of the Winance Debt Conversion Shares:

- (a) The securities were issued to Winance, and who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of securities issued by the Company is 186,000,000 Winance Debt Conversion Shares.
- (c) The Winance Debt Conversion Shares are fully paid ordinary shares that rank equally with existing Shares on issue.
- (d) The issue was made on 5 June 2020.
- (e) The Winance Debt Conversion Shares have a deemed issue price of \$0.0015 per Share.

- (f) No funds were raised from the issue as the issue was made in satisfaction of debts.
- (g) Other than those set out in section 3.1 and this section 4, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

4.5 □ Resolution 3 - Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the proposed issue of Shares:

- (a) The Shares will be issued to Winance, who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The total number of Shares that may be issued will be determined by the then prevailing Share price, with the issue price being the lesser of a 10% discount to the lowest daily VWAP over 5 days and \$0.0015 per Share; the maximum number of Shares that can be issued under different scenarios is set out in section 4.1.
- (c) The terms of the securities to be issued are fully paid ordinary shares which rank equally to the existing Shares on issue.
- (d) The securities 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 issue will occur on the same date.
- (e) The securities will be issued at a deemed price being the lesser of a 10% discount to the lowest daily VWAP over 5 days and \$0.0015 per Share.
- (f) The securities are issued to satisfy the Company's obligations with respect to the Winance Loan, and no funds will be raised through the issue.
- (g) Other than those set out in section 3.1 and this section 4, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

4.6 □ Directors recommendation

The Directors recommend that Shareholders approve each of Resolutions 1 and 3. This will allow the Company to comply with the terms of the Winance Facility and issue Shares in satisfaction of claims against the Company whilst conserving cash. The Directors recommend that Shareholders approve Resolution 2 as this will restore the Company's 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities as permitted by Listing Rule 7.1 without Shareholder approval.

5 □ RESOLUTIONS 4 TO 6 - ISSUE OF SHARES TO DIRECTOR ENTITIES

5.1 □ Introduction

As of the date of this Notice, the Company is indebted to entities controlled by Directors and a former Director for the following amounts for consulting/director fees and debts:

Director	Description of services	Amount	Shares to be issued
Okewood (Tony Sage)	Director consulting fees from December 2019 to May 2020 and rent from January to March 2020 ¹	\$294,372 ²	196,248,087
Haven Resources (Mark Hancock)	Non-Executive Director fees from February to May 2020 ³	\$15,928	10,618,667
CRMS (Timothy Turner)	Non-Executive Director fees from December 2019 to May 2020 ⁴	\$33,000	22,000,000
Total	-	\$343,300	228,866,754

¹ The rent relates to a lease for the Company's office at 32 Harrogate Street, West Leederville. The lease was initially for the period from 1 April 2012 to 31 March 2017, with an annual rent of \$483,200 plus GST. On 31 March 2015, the parties agreed to vary the lease by reducing its net area and therefore annual rental to \$459,200 plus GST and extending the lease term to 31 March 2020. Shareholder approval was not required because the Company's then Directors (excluding Mr Sage) determined that the lease variation was on arm's length terms and the total annual payments under the lease were less than 5% of the Company's then equity interests of approximately \$179 million. Full details of the lease have been disclosed in each of the Company's annual reports since 2012.

² \$294,372 consisting of \$219,999.96 director consulting fees for Mr Tony Sage's services as the executive chairman of the Company and \$74,372.17 rent for the period mentioned above. Pursuant to the consultancy agreement between the Company and Mr Tony Sage, Mr Sage's services includes services of executive chairman of the Company and specific responsibility for all negotiations and strategic networking to facilitate the acquisition and disposal of assets of the Company with the key performance indicators for Mr Sage includes but are not limited to the following: market capitalization of the Company to exceed A\$30 million; preparing a written strategy for the Company covering the next five (5) years; bringing the

Marampa project to feasibility stage; facilitating capital raising; maximizing and crystalizing gains in associated entities; strictly monitoring costs and reducing overhead etc.

³ Mark Hancock's director fee for acting as non-executive director is \$48,000 per annum plus GST or \$4,400 per month including GST. \$15,928 is for director fees consisting of \$2,728 for part of the February 2020 (Mark Hancock appointed on 11 February 2020), \$4,400 for March 2020, \$4,400 for April 2020 and \$4,400 for May 2020. As announced on 4 August 2020, Mr Hancock resigned as a Director of the Company.

⁴ Timothy Turner's director fee for acting as non-executive director is \$60,000 per annum plus GST or \$5,500 per month including GST. \$33,000 is for director fees for 6 months from December 2019 to May 2020.

To conserve cash and subject to Shareholder approval, the Board has resolved to satisfy the above debts through the issue of Shares at \$0.0015 per Share. The issues fall within Listing Rule 10.11.1 and none of the exceptions in Listing Rule 10.12 apply. Shareholder approval is therefore required under Listing Rule 10.11 for the issue. Resolutions 4 to 6 seek that approval. The effect of passing Resolutions 4 to 6 will be to allow the Company to issue securities in satisfaction of those debts in accordance with the Resolutions, with Shareholders being diluted as set out in section 3.2. Furthermore, those securities will not be included in the 15% limit under Listing Rules 7.1. If Resolution 4, 5 or 6 is not passed, the Company will not be able to proceed with the relevant issue to satisfy the debts with the entities controlled by the Directors and a former Director, and the Company will have to seek alternative funding to satisfy these claims. The Shareholders shall note that any further capital raising will be dilutive to the Shareholders and should the Company not be able to raise further funds, the Company may not be able to operate on a going concern basis.

The effect of the issues under Resolutions 4 to 6 (assuming shareholders passing such Resolutions) on the capital structure of the Company is set out in section 3.2.

5.2 **Regulatory requirements**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act, and includes directors of a company and director within the previous 6 months. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

As the issue price to the above related parties is the same as the issue price with unrelated Winance under the Winance Debt Conversion, the Board considers the proposed issue to be reasonable in the circumstances as if the Company and its Directors and a former Director were dealing at arm's length so that Shareholder approval is not required under Chapter 2E of the Corporations Act.

The proposed issue of securities to the Company's Directors and a former Director or their nominees requires Shareholder approval under Listing Rule 10.11. Resolutions 4 to 6 seek Shareholder approval under Listing Rule 10.11 for the issue of Shares to entities controlled by the Directors and a former Director, and will allow the Company to satisfy claims by such entities whilst conserving cash.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the Shares to the above related parties means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

5.3 □ Resolutions 4 to 6 - Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the issue of Shares under Resolutions 4 to 6:

- (a) The persons participating in the issues are the following, each of whom are related parties:
 - (i) Resolution 4 - Okewood, an entity controlled by Tony Sage, a Director.
 - (ii) Resolution 5 - Haven Resources, an entity controlled by Mark Hancock, a Director within the past 6 months.
 - (iii) Resolution 6 - CRMS, an entity controlled by Timothy Turner, a Director.
- (b) Each of the above entities is an entity controlled by a Director or a Director within the past 6 months and is therefore a related party and subject to Listing Rule 10.11.1.
- (c) The maximum number of securities to be issued is 228,866,754 Shares consisting of:
 - (i) Resolution 4 - Okewood - 196,248,087 Shares.
 - (ii) Resolution 5 - Haven Resources - 10,618,667 Shares.
 - (iii) Resolution 6 - CRMS - 22,000,000 Shares.
- (d) The securities to be issued are fully paid ordinary shares in the capital of the Company, ranking equally with existing Shares on issue.
- (e) The securities will be issued no later than 1 month 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 issue will occur on the same date.

- (f) The securities will be issued at an issue price of \$0.0015 per Share to satisfy \$343,300 debts consisting of:
 - (i) Resolution 4 - Okewood - \$294,372.
 - (ii) Resolution 5 - Haven Resources - \$15,928.
 - (iii) Resolution 6 - CRMS - \$33,000.
- (g) The securities are issued to the above named related parties in satisfaction of directors fees and consultancy services provided in acting as a Director and, with respect to Okewood, rent payable under a lease with Okewood, and no funds will be raised from the issue.
- (h) The Directors' current total remuneration packages are as follows:
 - (i) Resolution 4 - Mr Sage - \$400,000 (plus GST) per annum with adjustment linked to the market capitalization of the Company (If the market capitalization of the Company exceeds A\$30 million continuously for more than one month, the consultancy fee is to increase to \$525,000 (plus GST) per annum. If the market capitalization of the Company exceeds A\$60 million continuously for more than one month the consultancy fee is to increase to \$700,000 (plus GST) per annum).
 - (ii) Resolution 5 - Mr Hancock - \$48,000 (plus GST) per annum (Mr Hancock retired on 4 August 2020).
 - (iii) Resolution 6 - Mr Turner - \$60,000 (plus GST) per annum.
- (i) Other than those set out in section 3.1 and this section 5, there are no other material terms in relation to the issue.
- (j) A voting exclusion statement is included in the Notice.

5.4 □ Directors recommendation

The Directors refrain from making a recommendation in relation to Resolutions 4 to 6 as they have a personal interest in the Resolutions.

6 □ RESOLUTION 7 - APPROVAL TO ISSUE SECURITIES TO THE NEW CHAIRMAN

6.1 □ Introduction

On 4 August 2020, the Company appointed Mr Terry Donnelly as a non-executive chairman of the Company.

Mr Donnelly is entitled to an annual director fee of \$60,000. As a sign-on bonus, the Company has, subject to Shareholder approval, agreed to issue Mr Donnelly (or his nominee) 20,000,000 Shares and 120 million Performance Rights that may convert to up to 120 million Shares as follows:

- (a) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.01 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (b) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.02 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (c) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.05 (as adjusted for any reorganisation of capital) continuously for more than 20 trading days within 1 year of grant;
- (d) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Share exceeds \$0.10 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (e) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares If the VWAP of Shares exceeds \$0.15 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant; and
- (f) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares If the VWAP of Shares exceeds \$0.20 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant.

The Company is currently in the exploration phase of its growth, which means that it is not generating revenues or profits, and does not anticipate doing so in the near term. As a result, the Company's sources of funding are limited and it therefore needs to closely monitor its cash reserves and mitigate cash expenditure. Accordingly, the Company considers that a more appropriate way to remunerate Mr Donnelly is through equity-based incentives, such as the Performance Rights.

The Company considers that vesting hurdles tied to its Share price are the most appropriate indicator for Mr Donnelly's performance at its current stage of growth. The short time frame for achievement of the hurdles provides extra incentives for Mr Donnelly to achieve such hurdles.

The effect of the proposed issue on the capital structure of the Company is set out in section 3.2.

6.2 Regulatory requirements

A summary of Chapter 2E of the Corporations Act is set out in section 5.2. The proposed issue of the Shares and Performance Rights to Mr Terry Donnelly constitutes

giving a financial benefit and Mr Terry Donnelly is a related party of the Company by virtue of being, at the relevant time a proposed Director.

The Directors (other than Mr Terry Donnelly who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the agreement to issue the Shares and Performance Rights, reached as part of the remuneration package for Mr Terry Donnelly, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

ASX 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 related party unless it obtains the approval of its shareholders.

The proposed issue to Mr Terry Donnelly falls within Listing Rule 10.11.1 and none of the exceptions in Listing Rule 10.12 apply. Shareholder approval is therefore required under Listing Rule 10.11 for the proposed issue.

If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Shareholder approval of the issue of the securities to Mr Terry Donnelly means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to proceed with the issues. In addition, the issues 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 7 is not passed, Mr Donnelly will not be issued the securities and the Company will need to consider other ways to remunerate Mr Donnelly. This is likely to have an adverse impact on the Company's cash position.

6.3□ Resolution 7 - Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue of securities:

- (a) The Shares and Performance Rights will be issued to Mr Terry Donnelly, a Director, hence a related party of the Company.
- (b) By virtue of being a Director, Listing Rule 10.11.1 applies.
- (c) The number of securities to be issued are 20,000,000 Shares and 120,000,000 Performance Rights.
- (d) The terms of the securities issued are fully paid ordinary shares which rank equally to the existing Shares on issue and Performance Rights, the terms of which are set out in SCHEDULE 3.
- (e) The securities will be issued no later than 1 month 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 issue will occur on the same date.

- (f) The Share and the Performance Rights will be issued for nil cash consideration as part of the remuneration package for Mr Terry Donnelly.
- (g) The securities are issued as part of Mr Terry Donnelly's remuneration package, and no funds will be raised through the issues.
- (h) The current total remuneration package of Terry Donnelly consists of:
 - (i) an annual director fee of \$60,000 (plus GST); and
 - (ii) 20,000,000 Shares and 120,000,000 Performance Rights (the subject of Resolution 7).
- (i) Other than those set out in section 3.1 and this section 6, there are no other material terms in relation to the issues.
- (j) A voting exclusion statement is included in the Notice.

6.4 □ Directors' recommendation

The Directors (other than Mr Terry Donnelly who has a personal interest in the matter) recommend that Shareholders vote in favour of Resolution 7. These will allow the Company to issue securities to remunerate Mr Terry Donnelly while preserving the Company's cash and 15% capacity under Listing Rule 7.1.

7 □ RESOLUTION 8 - APPROVAL TO ISSUE SHARES UNDER A PROPOSED PLACEMENT

7.1 □ Introduction

The Company proposes to, subject to Shareholder approval, undertake a placement to Australian and international based sophisticated investors, at an issue price of \$0.0017 per Share to raise up to \$2,000,000 (before expenses) (**Proposed Placement**).

Funds raised will be used as follows:

Use	Amount (\$)
Payment in reduction of debts owed to Winance	471,778
Payment in reduction of debts owed to the Australian Taxation Office	520,344
Payment to trade creditors (none of whom are related parties)	427,878
Working capital (see below)	460,000
Capital raising costs	120,000
Total	2,000,000

Working capital consists of corporate administration costs that the Company has incurred or anticipates incurring over the next 3-4 months, including directors' fees, accounting and company secretarial fees, fees incurred in preparing the Company's 2020 financial reports, annual report and notice of AGM, IT and communication expenses, legal costs, costs incurred in preliminary reviews of potential acquisitions, payments for Sierra Leone operations, and incidental costs incurred by the Company.

The effect of the proposed issue on the capital structure of the Company is set out in section 3.2.

The Company may pay a placement fee of 6% of the amount raised under the Proposed Placement.

A summary of the Listing Rule 7.1 is set out in section 3.3. The proposed issue under Resolution 8 does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1. Resolution 8 seeks shareholder approval under Listing Rule 7.1 to issue a maximum of 1,176,470,588 Shares at an issue price of \$0.0017 per Share under the Proposed Placement to raise \$2,000,000.

If Resolution 8 is passed, the Company will be able to proceed with the issue of a maximum of 1,176,470,588 Shares. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1. If Resolution 8 is not passed, the Company will not be able to proceed with the Proposed Placement and will have to seek alternative financing arrangement, failing which the Company may not be able to continue on a going concern basis.

7.2 □ Resolution 8 - Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the proposed issue of Shares:

- (a) The Shares will be issued to Australian and international based sophisticated investors, who are not related parties of the Company or otherwise persons to whom Listing Rule 10.11 applies.
- (b) The total maximum number of Shares may be issued under the Proposed Placement will be 1,176,470,588.
- (c) The terms of the securities to be issued are fully paid ordinary shares which rank equally to the existing Shares on issue.
- (d) The securities 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 issue will occur on the same date.
- (e) The securities will be issued at an issue price of \$0.0017 per Share.

- (f) The securities will be issued to raise funds, the intended use of funds is set out in section 7.1.
- (g) Other than those set out in section 3.1 and this section 7, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

7.3 □ Directors' recommendation

The Directors unanimously recommends that Shareholders vote in favour of Resolution 8. These will allow the Company to issue Shares to raise funds while preserving the Company's 15% capacity under Listing Rule 7.1.

8 □ RESOLUTION 9 - APPROVAL TO ISSUE SHARES TO SATISFY DEBTS

8.1 □ Introduction

The Company is indebted to Bennett and Co for \$312,227.59 for legal services. The Company has agreed with Bennett and Co to satisfy the debt by, subject to Shareholder approval, issuing 125,631,533 Shares at an issue price of \$0.0015 per Share and (upon the earlier of the Company having sufficient funds and 30 November 2020) paying \$123,780.29 in cash.

A summary of the Listing Rule 7.1 is set out in section 3.3. The proposed issue under Resolution 9 does not fall within any of the exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1. Resolution 9 seeks shareholder approval under Listing Rule 7.1 to issue 125,631,533 Shares at an issue price of \$0.0015 per Share to satisfy the debt owed to Bennett and Co.

If Resolution 9 is passed, the Company will issue 125,631,533 Shares. Furthermore, the issue will be excluded from calculating the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1. If Resolution 9 is not passed, the Company will not proceed with the issue and will have to pay Bennett and Co cash, which is a significant cost to the Company.

The effect of the proposed issue on the capital structure of the Company is set out in section 3.2.

8.2 □ Resolution 9 - Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided about the proposed issue of Shares:

- (a) The Shares will be issued to Bennett and Co, who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of Shares to be issued is 125,631,533.

- (c) The terms of the securities to be issued are fully paid ordinary shares which rank equally to the existing Shares on issue.
- (d) The securities 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 the issue will occur on the same date.
- (e) The securities will be issued at an issue price of \$0.0015 per Share.
- (f) The securities are to be issued to satisfy debts owed to Bennett and Co and no funds will be raised from the issue.
- (g) Other than those set out in section 3.1 and this section 8, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

8.3 Directors' recommendation

The Directors unanimously recommends that Shareholders vote in favour of Resolution 9. These will allow the Company to issue Shares to satisfy debts owed to Bennett and Co while preserving the Company's 15% capacity under Listing Rule 7.1.

9 RESOLUTIONS 10 AND 11 - RATIFICATION OF SECURITIES ISSUED UNDER THE PLACEMENT

9.1 Introduction

On 21 February 2020, the Company announced a capital raising by way of placement of 20,000,000 Shares (**Placement Shares**) and 20,000,000 attaching Options (an exercise price of \$0.006 each and an expiry date of 30 June 2023 (**Placement Options**)) for every Placement Share issued, to an institutional and sophisticated investor at an issue price of \$0.005 per Share (**Placement**).

The Placement was undertaken without Shareholder approval, with the Placement Shares issued using the Company's 10% capacity under Listing Rule 7.1A and the Placement Options issued using the Company's 15% capacity under Listing Rule 7.1.

The lead manager to the Placement, Empire Capital Partners, was entitled to a fee of 6% on all funds raised from the Placement and 1,200,000 Placement Options. These Placement Options were issued without Shareholder approval and using the Company's 15% capacity under Listing Rule 7.1.

A summary of the Listing Rule 7.1 is set out in section 3.3. Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule. The Company wishes to retain as much flexibility as possible to issue additional equity

securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. Resolutions 10 and 11 seek shareholder approval under Listing Rule 7.4 to ratify the issue of securities under the Placement and to the Lead Manager. The effect of passing Resolutions 10 and 11 is that the Shareholders ratify the issues.

If Resolutions 10 and 11 are passed, the issues will be excluded in calculating the Company's 15% limit under Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue. If Resolution 10 or Resolution 11 is not passed, the issue the subject of that Resolution will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issue.

9.2 □ Resolution 10 - Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided for the ratification of the issue of securities under the Placement:

- (a) The securities were issued to Rotherwood Enterprises Pty Limited, a sophisticated investor who was introduced by Empire Capital Partners, and who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of securities issued by the Company was 20,000,000 Placement Shares and 20,000,000 Placement Options. The Placement Shares are fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue. The Placement Options have an exercise price of \$0.006 each and an expiry date of 30 June 2023, and otherwise on terms set out in SCHEDULE 2.
- (c) The issue was made on 21 February 2020.
- (d) The Placement Shares were issued for \$0.005 each. The Placement Options were issued as attaching Options to the Placement Shares.
- (e) Funds raised from the Placement were used to redeem convertible notes issued to Magna and for general working capital. Funds raised from the exercise of the Placement Options will be used towards working capital of the Company.
- (f) Other than those set out in section 3.1, this section 9 and SCHEDULE 2, there are no other material terms in relation to the issue.
- (g) A voting exclusion statement is included in the Notice.

9.3 □ Resolution 11 - Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided for the ratification of the issue of the Placement Options to the Lead Manager:

- (a) The securities were issued to Empire Capital Partners, who is not a related party to the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) The number of securities issued by the Company was 1,200,000 Placement Options.
- (c) The Placement Options have an exercise price of \$0.006 each and an expiry date of 30 June 2023, and otherwise on terms set out in SCHEDULE 2.
- (d) The Placement Options were issued on 21 February 2020.
- (e) The Placement Options were issued for services provided by Empire Capital Partners as the lead manager of the Placement.
- (f) No funds were raised from the issue as they were issued for services provided by Empire Capital Partners as the lead manager of the Placement. Funds raised from the exercise of the Placement Options will be used towards working capital of the Company.
- (g) Other than those set out in section 3.1, this section 9 and SCHEDULE 2, there are no other material terms in relation to the issue.
- (h) A voting exclusion statement is included in the Notice.

9.4□ Directors' recommendation

The Directors unanimously recommends that Shareholders vote in favour of Resolutions 10 and 11. These will restore the Company's 15% annual limit permitted by Listing Rule 7.1 and allow the Company to issue further securities as permitted by Listing Rule 7.1 without Shareholder approval.

10□ RESOLUTION 12 - CHANGE OF COMPANY NAME

10.1□ General

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 12 seeks the approval of Shareholders for the Company to change its name to "Cyclone Metals Limited". The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

If Resolution 12 is passed, the Company will lodge a copy of the special resolution with ASIC in order to effect the change. The change of name of the Company will take effect from when ASIC alters the details of the Company's registration.

Resolution 12 is a special resolution accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 12 for it to be passed.

If Resolution 12 is passed, the ASX code of the Company will change from “CFE” to “CLE”.

10.2□ Directors’ recommendation and voting intention

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12. The Directors’ recommendations are based on the reasons outlined above.

Each of the Directors intends to vote all of their Shares in favour of Resolution 12.

SCHEDULE 1 □ GLOSSARY

\$ or A\$ means Australian dollars.

ASX Listing Rules means the Listing Rules of ASX.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Cape Lambert Resources Limited (ACN 095 047 920).

Constitution means the Company's constitution.

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

Current Floor Price has the meaning given in section 3.1.

Debt Conversion has the meaning given in section 3.1.

Directors means the current directors of the Company.

Directors Debt Conversion has the meaning given in section 3.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or Meeting means the meeting convened by the Notice.

New Floor Price has the meaning given in section 3.1.

Note means a convertible notice issued under the Winance Facility.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to be issued a Share.

Performance Rights means a right to be issued a share on the terms set out in SCHEDULE 3.

Placement has the meaning given in section 3.1.

Placement Option means an Option with an exercise price of \$0.006 each and an expiry date of 30 June 2023, and otherwise on the terms in SCHEDULE 2.

Placee means a person subscribing for Placement Shares under the Placement.

Placement Share has the meaning given in section 3.1.

Proposed Placement has the meaning given in section 3.1.

Proxy Form means the proxy form accompanying the Notice.

Remaining Winance Notes has the meaning given in section 3.1.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Shortfall Cash Payment has the meaning given in section 3.1.

Winance means Winance Investment LLC.

Winance Debt Conversion has the meaning given in section 3.1.

Winance Debt Conversion Shares has the meaning given in section 4.1.

Winance Facility has the meaning given in section 4.1.

Winance Loan has the meaning given in section 4.1.

Winance Note or **Note** has the meaning given in section 3.1.

WST means Western Australian Standard Time.

VWAP means the volume weighted average price of trading in Shares on the *ASX market and the *Chi-X market over a specified period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

SCHEDULE 2 □ OPTION TERMS AND CONDITIONS

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

The amount payable upon exercise of each Option will be \$0.006.

3. Expiry Date

Each Option will expire on 30 June 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. 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.

6. 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**).

7. Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (a) 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; and
- (b) 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.

8. Shares issued on exercise

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

9. Reconstruction of capital

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

10. 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.

11. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

The Options are not transferable without consent of the Board.

SCHEDULE 3 □ PERFORMANCE RIGHTS

The Performance Rights entitle the holder to subscribe for Shares on the terms and conditions set out below.

1. Entitlement

Each Performance Right entitles the holder of the Performance Right to be issued one fully paid ordinary share in the Company, for no cash consideration, on these terms of issue including the performance condition(s) set out below.

2. Vesting

If the Board determines, in its sole discretion, that the performance conditions for a class of Performance Rights set out below have been satisfied prior to the relevant expiry date then that class of Performance Rights will vest and be exercisable into Shares on a one for one basis.

- (a) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.01 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (b) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.02 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (c) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Shares exceeds \$0.05 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (d) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares if the VWAP of Share exceeds \$0.10 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant;
- (e) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares If the VWAP of Shares exceeds \$0.15 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant; and
- (f) 20,000,000 Performance Rights that automatically vest and convert to 20,000,000 Shares If the VWAP of Shares exceeds \$0.20 (as adjusted for any reorganisation of capital) continuously for more than 20 consecutive trading days within 1 year of grant.

3. Lapse/Forfeiture

If a performance condition is not satisfied by the relevant expiry date, then the relevant class of Performance Rights will automatically lapse. The Performance

Rights will be forfeited if the holder ceases to be an employee or Director of the Company before the Performance Rights have vested.

4. Vesting

Subject to clauses 3 and 6, Performance Rights will vest upon the relevant performance condition being met.

5. Shares issued on vesting

Shares issued upon vesting will rank equally in all respects with the Company's ordinary shares on issue. The Company will apply to the ASX for official quotation of the Shares after they are issued.

6. A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.

7. A Performance Right does not entitle the holder to any dividends.

8. The holder is not entitled to participate in the surplus profits or assets of the Company upon the winding up of the Company.

9. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, if vesting of Performance Rights would result in any person being in contravention of section 606(1) of the Corporations Act then the vesting of each Performance Right that would cause the contravention will be deferred until such time or times that the vesting would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the vesting of the Performance Rights may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the vesting of the Performance Rights will not result in any person being in contravention of section 606(1) of the Corporations Act.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

11. 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) the number of Shares which must be issued on the vesting of an Performance Right will be increased by the number of Shares which the holder would have received if the Performance Right had vested before the record date for the bonus issue.

12. Adjustment for rights issue

If the Company makes a rights issue of Shares pro rata to existing Shareholders, there will be no adjustment to these terms and conditions.

13. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

14. Quotation

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

15. Non-Transferable

Subject to the ASX Listing Rules, the Performance Rights are only transferable, assignable or able to be otherwise disposed or encumbered:

- (a) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
- (b) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

Special Circumstances means:

- (a) death or total or permanent disability of the holder; or
- (b) retirement or redundancy the holder;
- (c) the holder suffering severe financial hardship;
- (d) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the holder; or
- (e) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant holder which circumstances may relate to the holder, a class of holder, including the holder or particular circumstances or class of circumstances applying to the holder.

16. Compliance with laws

If the Corporations Act, the Listing Rules or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, the Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

17. No other rights

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.



Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (WST) Sunday, 4 October 2020.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

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

Your secure access information is



Control Number: 184166

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

By Mail:

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

By Fax:

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



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

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

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Cape Lambert Resources Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Cape Lambert Resources Limited to be held at 32 Harrogate Street, West Leederville, Western Australia on Tuesday, 6 October 2020 at 9:00am (WST) and at any adjournment or postponement of that meeting.

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

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 7 by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
1	Approval to vary the floor price for the remaining Winance Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	Approval to issue Shares to satisfy debts - Bennett and Co	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of prior issue of Shares under Winance Debt Conversion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Ratification of prior issue of Placement Shares and Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Issue of Shares to Winance in satisfaction of interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Ratification of prior issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of Shares to Okewood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Shares to Haven Resources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Issue of Shares to CRMS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval to issue Securities to the new Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Approval to issue Shares under a Proposed Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

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

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

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

Update your communication details (Optional)

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

