

NELSON RESOURCES LIMITED

ACN 127 620 482

Notice of Annual General Meeting

**The Annual General Meeting will be held at
Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on 15 September 2020
commencing at 9:00am (AWST).**

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: nelsonresources.com.au/asxannouncements/.

Important Notice

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) will be held at Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on 15 September 2020, commencing at 9:00am (AWST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended on 30 June 2020, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1: Remuneration Report

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended on 30 June 2020 be adopted."

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

A voting exclusion statement is set out below.

Resolution 2: Re-election of Director - Warren Hallam

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

"That, for all purposes, Warren Hallam, who retires by rotation at the Meeting in accordance with ASX Listing Rule 14.4 and clause 13.2 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director".

Resolution 3: Ratification of prior issue of Placement Shares and attaching Placement Options - 7.1 Capacity

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,224,469 Shares and 3,614,458 Options under the Placement on the terms and conditions set out in the Explanatory Statement".

A voting exclusion statement is set out below.

Resolution 4: Ratification of prior issue of Placement Shares - 7.1A Capacity

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,004,447 Shares under the Placement on the terms and conditions set out in the Explanatory Statement".

**Resolution 5: Ratification of prior issue of Follow-on Placement Shares and attaching Listed Options
- 7.1 Capacity**

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,343,989 Shares and 4,579,275 Listed Options under the Follow-on Placement on the terms and conditions set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 6: Ratification of prior issue of Follow-on Placement Shares - 7.1A Capacity

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,814,629 Shares under the Follow-on Placement on the terms and conditions set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 7: Approval to issue Listed Options to Mahe Capital Pty Ltd

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,355,254 Listed Options to Mahe Capital Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 8: Approval of 10% Placement Facility

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

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

A voting exclusion statement is set out below.

Resolution 9: Grant of Incentive Options to a Related Party - Adam Schofield

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

“That for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 5,000,000 Incentive Options to Mr Adam Schofield or his nominee on the terms set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 10: Grant of Incentive Options to a Related Party - Warren Hallam

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

“That for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 1,500,000 Incentive Options to Mr Warren Hallam or his nominee on the terms set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 11: Grant of Incentive Options to a Related Party - Stephen Brockhurst

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

“That for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of 1,500,000 Incentive Options to Mr Stephen Brockhurst or his nominee on the terms set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

Resolution 12: Issue of Performance Rights to a Related Party - Adam Schofield

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3,000,000 Performance Rights to Adam Schofield or his nominee, on the terms and conditions set out in the Explanatory Statement”.

A voting exclusion statement is set out below.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by any of the following persons:

Resolution	Persons Excluded from Voting
Resolution 1: Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none">(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or(b) a Closely Related Party of such a member. <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

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- (b) the voter is the Chair of the Meeting and the appointment of the chair as proxy:
- does not specify the way the proxy is to vote on this Resolution; and
 - expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.
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ASX Listing Rules

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 3: Ratification of prior issue of Placement Shares and attaching Placement Options- 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 4: Ratification of prior issue of Placement Shares - 7.1A Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 5: Ratification of prior issue of Follow-on Placement Shares and attaching Listed Options - 7.1 Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 6: Ratification of prior issue of Follow-on Placement Shares - 7.1A Capacity	Persons who participated in the issue or is a counterparty to the agreement being approved, or any associate of those persons.
Resolution 7: Approval to issue Listed Options to Mahe Capital Pty Ltd	Mahe Capital Pty Ltd (its nominee) or any one of its associates.
Resolution 9: Grant of Incentive Options to a Related Party - Adam Schofield	Adam Schofield (his nominee) or any associate of such person.

Resolution 10: Grant of Incentive Options to a Related Party - Warren Hallam (his nominee) or any associate of such person.
Hallam

Resolution 11: Grant of Incentive Options to a Related Party - Stephen Brockhurst (his nominee) or any associate of such person.
Brockhurst

Resolution 12: Issue of Performance Rights to a Related Party - Adam Schofield (his nominee) or any associate of such person.
Schofield

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



Stephen Brockhurst
Company Secretary
Nelson Resources Limited

13 August 2020

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth , Western Australia 6000 on 15 September 2020, commencing at 9:00am (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which the Directors deem as material to the shareholders to make a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed in the Voting Prohibition and Exclusion Statements section.

Proxies

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

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

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

To vote by proxy, please complete and sign the proxy form enclosed and either:

- send the Proxy Form by post to Automic, GPO Box 5193, SYDNEY NSW 2001;
- send the Proxy Form in person to Automic, Level 5, 126 Phillip Street, SYDNEY NSW 2000; or
- vote online at: <https://investor.automic.com.au/#/loginsah>,

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

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 prior to the Meeting. The Chairman will adjourn the Meeting where the number of attendees may lead to the breach of local public health laws and regulations.

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 or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (Advanced Share Registry Services).

Voting entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00pm (AWST) on 13 September 2020. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

Poll

All Resolutions will be determined by a poll at the Meeting.

REGULATORY INFORMATION

1. Annual Report

The Annual Report of the Company for the financial year ended on 30 June 2020, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, Criterion Audit Pty Ltd, will be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

2. Resolution 1: Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks the adoption of the Remuneration Report.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended on 30 June 2020, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Shareholders approved the Company's Remuneration Report for financial year ended on 30 June 2019, and as a result there is no requirement to vote on a Spill Resolution if 25% or more of the votes cast vote against Resolution 1.

3. Resolution 2: Re-election of Director - Warren Hallam

3.1 General

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer, and that a director appointed to fill a casual vacancy must also not hold office (without re-election) past the company's next annual general meeting.

In accordance with clause 13.2 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, unless agreed between the directors, by drawing lots.

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

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Both Messrs Warren Hallam and Stephen Brockhurst were re-elected at the Company's 2019 AGM, by agreement between Messrs Warren Hallam and Stephen Brockhurst, Mr Hallam retires by rotation at this Meeting and, being eligible, offers himself for re-election. Brief background information on Mr Hallam is set out in the Annual Report.

3.2 Directors' recommendations

The Directors (excluding Mr Hallam) recommend that Shareholders vote in favour of Resolution 2.

4. Resolutions 3 - 6: Ratification of prior issues of securities

4.1 Background

As announced on 5 February 2020, the Company completed a capital raising via the issue of 7,228,916 Shares to professional and sophisticated investors (**Participants**), along with one (1) free attaching Option for every two (2) Shares subscribed (**Placement**).

The funds raised under the Placement were used towards exploration activities at the Company's existing Western Australian projects (Woodline), new project / JV evaluation and working capital.

On 14 February 2020, pursuant to the Placement, the Company issued a total of 7,228,916 Shares (**Placement Shares**) and 3,614,458 free attaching Options (**Placement Options**) to professional and sophisticated investors who participated in the Placement (**Placement Securities**) with its 15% capacity under Listing Rule 7.1 and 10% capacity under Listing Rule 7.1A. The Placement Options have an exercise price of \$0.08 each and an expiry date of 14 February 2022 and otherwise are on terms set out in schedule 1.

Resolutions 3 and 4 seek Shareholder approval under Listing Rule 7.4 to ratify the following issues of the Placement Securities:

- (a) 3,224,469 Placement Shares and 3,614,458 free attaching Placement Options which were issued under the Company's Listing Rule 7.1 capacity (**Resolution 3**).
- (b) 4,004,447 Placement Shares which were issued under the Company's Listing Rule 7.1A capacity (**Resolution 4**).

On 9 June 2020, the Company announced a renounceable rights issue to raise approximately \$2 million through the issue of Shares at an issue price of \$0.038, with 1 Listed Option for every 2 Shares issued (**Rights Issue**). The issue was oversubscribed and to accommodate excess demand, the Company subsequently raised an additional \$348,000 (**Follow-on Placement**) through issuing 9,158,618 Shares (**Follow-on Placement Shares**) and 4,579,275 free attaching Listed Options on the same terms as the Rights Issue (**Follow-on Placement Securities**). Funds raised under the Follow-on Placement together with funds raised under the Rights Issue and existing cash on hands will be used as follows (as disclosed in the supplementary prospectus announced to ASX on 7 July 2020):

Item	Use of funds (approx.)
Magnetics Survey	\$180,000
Seismic Survey	\$100,000
Other Geophysics - EM/IP	\$120,000
Aircore Drilling	\$280,000
RC Drilling	\$650,000
Plant and Equipment	\$120,000
Working Capital	\$686,225
Costs of the Offer	\$219,000
Total use of funds	\$2,355,225

The Follow-on Placement was made without Shareholder approval and using the Company's capacities under Listing Rules 7.1 and 7.1A.

Resolutions 5 and 6 seek Shareholder approval under Listing Rule 7.4 to ratify the following issue of Follow-on Placement Securities:

- (c) 3,343,989 Shares and 4,579,275 free attaching Listed Options which were issued under the Company's Listing Rule 7.1 capacity (**Resolution 5**).
- (d) 5,814,629 Shares which were issued under the Company's Listing Rule 7.1A capacity (**Resolution 6**).

The Rights Issue and Follow-on Placement were lead-managed and partially underwritten by Mahe Capital. Pursuant to the term of its appointment, Mahe Capital is entitled to be issued 1 Listed Option for every dollar raised under the capital raising, subject to shareholder approval. The Rights Issue and Follow-on Placement raised \$2,355,254 and Mahe Capital is entitled to be issued 2,355,254 Listed Options, subject to Shareholder approval. Resolution 7 seeks such approval.

The effect of the various issues of securities (the subject of Resolution 3 to 6) on the capital structure of the Company is set out in Schedule 5.

4.2 ASX Listing Rules

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

ASX Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issues have been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issues.

If Resolutions 3 and 5 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 issues. If Resolutions 3 and 5 are not passed, the issues 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 under Listing Rule 7.1 without Shareholder approval over the 12 months following the issues.

If Resolutions 4 and 6 are passed, the issues will be excluded in calculating the Company's 10% limit under Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 months following the issues. If Resolutions 4 and 6 are not passed, the issues will be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A over the 12 months following the issues.

4.3 Resolutions 3 and 4 - Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Placement Securities were issued to professional and sophisticated investors who were identified by the Directors. The recipients were identified through a process of contacting existing major shareholders and contacting a new investor who had shown a keen interest to invest in the Company. None of the recipients were related parties of the Company or otherwise persons to whom Listing Rule 10.11 applies.
- (b) 7,228,916 Placement Shares and 3,614,458 Placement Options were issued on the following basis:
 - (i) Resolution 3 - 3,224,469 Placement Shares and 3,614,458 Placement Options were issued using the Company's Listing Rule 7.1 capacity; and
 - (ii) Resolution 4 - 4,004,447 Placement Shares were issued using the Company's Listing Rule 7.1A capacity.

- (c) the Placement Shares issued to the Participants were all 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 \$0.08 each and an expiry date of 14 February 2022 and otherwise are on terms set out in schedule 1.
- (d) the Placement Securities were issued on 14 February 2020.
- (e) the issue price per Placement Share was \$0.0415 and the issue price of the Placement Options was nil as they were issued as free attaching Options to the Placement Shares on a one for two basis.
- (f) the purpose of the issue of the Placement Securities was to raise \$300,000, which was used towards exploration activities at the Company's existing Western Australian projects (Woodline), new project/JV evaluation and working capital; funds raised from the exercise of the Placement Options will be used towards the working capital of the Company.
- (g) other than those set out in this section 4 and Schedule 1, there are no other material terms in relation to the issues; and
- (h) a voting exclusion statement is included in the Notice.

4.4 Resolutions 5 and 6 - Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Follow-on Placement Securities were issued to professional and sophisticated investors who were identified by Mahe Capital and who had applied for shortfall Shares under the Rights Issue. None of the recipients were related parties of the Company or otherwise are persons to whom Listing Rule 10.11 applies.
- (b) 9,158,618 Shares and 4,579,275 Listed Options were issued on the following basis:
 - (i) Resolution 5 - 3,343,989 Shares and 4,579,275 Listed Options were issued using the Company's Listing Rule 7.1 capacity; and
 - (ii) Resolution 6 - 5,814,629 Shares were issued using the Company's Listing Rule 7.1A capacity.
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company that rank equally with existing Shares on issue. The Listed Options have an exercise price of \$0.08 each and an expiry date of 7 July 2022 and otherwise are on terms set out in schedule 2.
- (d) the securities were issued on 7 July 2020.
- (e) the issue price per Share was \$0.038 and the issue price of the Listed Options was nil cash consideration as they were issued as free attaching Options to the Follow-on Placement Shares on a one for two basis.
- (f) the purpose of the issue of the Follow-on Placement securities was to raise approximately \$348,000; the use of funds is set out in section 4.1 above.
- (g) other than those set out in this section 4 and Schedule 2, there are no other material terms in relation to the issues; and
- (h) a voting exclusion statement is included in the Notice.

4.5 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 3 to 6. These will restore the Company's 15% and 10% annual limits permitted by Listing Rules 7.1 and 7.1A and allow the Company to issue further securities as permitted by Listing Rules 7.1 and 7.1A without Shareholder approval.

5. Resolution 7: Approval to issue Listed Options to Mahe Capital Pty Ltd

5.1 General

The Company engaged Mahe Capital Pty Ltd for broking services relating to the Rights Issue as announced to ASX on 9 June 2020. The Company agreed to pay Mahe Capital the following (as disclosed in the Rights Issue prospectus announced by the Company to ASX on 9 June 2020):

- (a) \$30,000 with an additional \$30,000 if the Rights Issue closes oversubscribed;
- (b) a lead manager's fee of 1% of the total amount raised under the Rights Issue;
- (c) an underwriter's fee of 5% of Mahe Capital's underwritten amount;
- (d) a placement fee of 5% of any shortfall securities placed by Mahe Capital's beyond the underwritten amount; and
- (e) 1 Listed Option for every dollar raised under the capital raising, subject to shareholder approval.

The Rights Issue and subsequent Follow-on Placement raised \$2,355,254 and Resolution 7 seeks approval under Listing Rule 7.1 to issue 2,355,254 Listed Options to Mahe Capital Pty Ltd.

The Listed Options are exercisable at \$0.08 each and expire on 7 July 2022 and otherwise on the terms set out in Schedule 2.

If Resolution 7 is passed, the Company will be able to proceed with the issue and to satisfy its obligations to Mahe Capital. 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 7 is not passed, the Company will not be able to proceed with the issue and will have to negotiate with Mahe Capital on alternative arrangement or the Company may have to pay Mahe Capital in cash, which will be a significant cost to the Company.

The effect of the issue of securities (the subject of Resolution 7) on the capital structure of the Company is set out in Schedule 5.

5.2 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Listed Options:

- (a) the Listed Options will be issued to Mahe Capital Pty Ltd (or its nominee), who is not a related party of the Company or otherwise a person to whom Listing Rule 10.11 applies.
- (b) a maximum of 2,355,254 Listed Options will be issued.
- (c) the Listed Options are exercisable at \$0.08 each and expire on 7 July 2022 and otherwise on the terms set out in Schedule 2.

- (d) the Listed Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), it is intended that the issue will occur on the same date.
- (e) the Listed Options are issued for nil cash consideration but for broking services relating to the Rights Issue announced to ASX on 9 June 2020 and no funds will be raised from the issue, funds raised from the exercise of the Listed Options will be used towards the working capital of the Company.
- (f) other than those set out in this section 5 and Schedule 2, there are no other material terms in relation to the issue.
- (g) a voting exclusion statement is included in the Notice.

5.3 Directors' recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7. It will allow the Company to issue securities to satisfy its payment obligations while preserving the Company's 15% capacity under Listing Rule 7.1.

6. Resolution 8: Approval of 10% Placement Facility

6.1 General

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval (**10% Placement Facility**).

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.3(a) below).

Any funds raised will be used for exploration on the Company's projects and general working capital.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.2 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 8. This will allow the Company to issue securities and raise funds whilst preserving the Company's 15% annual limit permitted by Listing Rule 7.1.

6.3 Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue quoted Equity Securities up to 10% of its issued share capital through placements over a Relevant Period following shareholder approval by way of a special resolution. The 10% Placement Facility is subject to conditions and is addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

- (a) Maximum number of Equity Securities which may be issued

The number of Equity Securities which may be issued, or agreed to be issued, under the 10% Placement Facility is prescribed in Listing Rule 7.1A.2 and is calculated as follows:

$\text{Number of Equity Securities} = (A \times D) - E$

“A” the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) plus the number of partly paid shares that became fully paid in the Relevant Period;
- (F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” is 10%.

“E” is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

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

As the date of this Notice, the Company:

- (i) has the following securities on issue:
 - (A) 114,802,142 Shares (quoted);

- (B) 30,990,156 Options (quoted);
 - (C) 7,614,458 Options (unquoted); and
 - (D) 1,500,000 Performance Rights (unquoted).
- (ii) has the capacity to issue:
- (A) Nil Equity Securities under Listing Rule 7.1; and
 - (B) 22,385 Equity Securities under Listing Rule 7.1A.
- (b) Minimum Issue Price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

6.4 Specific information required by Listing Rule 7.3A

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

- (a) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.
- (b) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The issue under Listing Rule 7.1A can only be made for cash consideration. The Company intends to use any funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and expenditure on the Company's current assets and/or general working capital.
- (d) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than when Shareholders approve the 10% Placement Facility; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

Following is a table that sets out the potential dilution of existing Shareholders if Equity Securities are issued under the 10% Placement Facility:

Variable 'A' (Shares on issue)		Issue price		
		\$0.034 (50% decrease)	\$0.068 (Current) ²	\$0.102 (50% increase)
114,802,142 (Current) ¹	Shares issued	11,480,214	11,480,214	11,480,214
	Funds raised	\$390,327	\$780,655	\$1,170,982
172,203,213 (50% increase)	Shares issued	17,220,321	17,220,321	17,220,321
	Funds raised	\$585,491	\$1,170,982	\$1,756,473
229,604,284 (100% increase)	Shares issued	22,960,428	22,960,428	22,960,428
	Funds raised	\$780,655	\$1,561,309	\$2,341,964

The table has been prepared on the following assumptions:

- (i) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options have been exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (v) The issue price is \$0.068 being the closing price of the Shares on ASX on 3 August 2020.

The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 upon issue of any Equity Securities.

- (e) The Company is yet to identify the persons to whom Equity Securities will be issued to under the 10% Placement Facility. The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
- (i) The fundraising methods available to the Company, including but not limited to, rights issue or other issue which may minimise dilution to Shareholders.
 - (ii) The effect of the issue of the Equity Securities on the control of the Company.
 - (iii) The financial situation and solvency of the Company.
 - (iv) Advice from corporate, financial and broking advisers (if applicable).

The subscribers may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company has issued 9,819,076 Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of the Meeting which represents 14.74% of the total number of Equity Securities (being 66,592,846 Equity Securities) on issue at the commencement of 12 month period before the Meeting). Information required under Listing Rule 7.3A.6 is set out in schedule 4. There is no circumstance that the Company has agreed before the 12 month period to issue Equity securities under Listing Rule 7.1A.2 but as at the date of the Meeting not yet issued those Equity Securities.
- (g) At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, no voting exclusion statement is required for the Notice.

7. Resolutions 9 to 11 – Grant of Incentive Options to Directors

7.1 Introduction

The Company proposes to grant Incentive Options to the Directors, or their nominees as follows:

Director	Number of Incentive Options
Adam Schofield	5,000,000
Warren Hallam	1,500,000
Stephen Brockhurst	1,500,000
Total	8,000,000

The Incentive Options have an exercise price of 33% premium to the 5-day VWAP before the date of the grant of the Options each and expire on the day immediately before the date of 3 years from the date of issue and are otherwise subject to the terms set out in Schedule 3.

The proposed grant of the Incentive Options is to remunerate the Directors while preserving the Company's cash, and further to align the Directors' interest with the interest of the Shareholders.

The effect of the issues under Resolutions 9 to 11 (assuming shareholders passing such Resolutions) on the capital structure of the Company is set out in Schedule 5.

7.2 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. 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.

Section 195(4) of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered, except in certain circumstances or unless non-interested directors pass a resolution approving the interested director's participation.

Given approval is being sought for the grant of Incentive Options to all Directors (or their nominees) pursuant to Resolutions 9 to 11, each of the Directors (comprising the Board) having a material personal interest in the outcomes of Resolutions 9 to 11, a quorum could not be formed to consider the matters contemplated by Resolutions 9 to 11 at Board level. The Board therefore proposes to seek shareholder approval for such issues.

Accordingly, Resolutions 9 to 11 seek Shareholder approval under Chapter 2E of the Corporations Act for the respective grants of Incentive Options.

The issues of the Incentive Options fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. They therefore require Shareholder approval under Listing Rule 10.11. Resolutions 9 to 11 seek shareholder approval under Listing Rule 10.11 for the above issues. The effect of passing Resolutions 9 to 11 will be to allow the Directors to issue securities in accordance with the Resolutions without those securities being included in the 15% limit under Listing Rules 7.1. If Resolution 9, 10 or 11 is not passed, the Company will not be able to proceed with the issues.

7.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of Resolutions 9 to 11:

- (a) The related party to whom Resolutions 9 to 11 would permit the benefit to be given are Adam Schofield, Warren Hallam and Stephen Brockhurst (or their nominees), who are each Directors.
- (b) The nature of the financial benefit:
 - (i) 5,000,000 Incentive Options to Adam Schofield or his nominee;
 - (ii) 1,500,000 Incentive Options to Warren Hallam or his nominee; and
 - (iii) 1,500,000 Incentive Options to Stephen Brockhurst or his nominee.

(c) The Incentive Options are exercisable at 33% premium to the 5-day VWAP before the date of the grant of the Options each and expire on the day immediately before the date of 3 years from the date of issue, and are otherwise on terms set out in Schedule 3.

(d) Reasons for giving the benefit:

The reason for giving the benefit is set out in section 7.1 above.

(e) The existing relevant interest of the Directors in securities of the Company are set out below:

Related Party	Shares	Options
Adam Schofield	325,000	2,625,000
Warren Hallam	1,315,788	657,894
Stephen Brockhurst	1,315,789	657,895

(f) Total remuneration package

Related Party	Current Financial Year (30 June 2020)	Previous Financial year (30 June 2019)
	(\$)	(\$)
Adam Schofield	164,250	367,300 ¹
Warren Hallam	78,840	32,850
Stephen Brockhurst	52,560	21,900

¹ Includes performance-based remuneration.

(g) Dilution

The Company's issued share capital will not change as a result of the issue of the Incentive Options to the related parties.

If the Incentive Options granted to the related parties are exercised, a total of 8,000,000 Shares would be issued. This will increase the number of Shares on issue from 114,802,142 Shares to 122,802,142 Shares. The dilutive effect of the issues under Resolutions 9 to 11 on the capital structure of the Company is set out in in Schedule 5.

(h) Valuation of the financial benefit to be given

The Incentive Options have been valued using the Black & Scholes option pricing model. Measurement inputs include the Share Price on the measurement date, the exercise price, the term of the Incentive Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Incentive Option. The valuation of the Incentive Options is set out below:

Assumptions	
Valuation date	14 July 2020
Market price of Shares	\$0.046
Exercise price (indicative) ¹	\$0.068 (being 33% premium to 5-day VWAP prior to 14 July 2020)
Expiry date	the date immediately before the date of 3 years from the date of issue
Risk free interest rate	0.29%
Expected volatility	120%
Indicative value per Option	\$0.033
Total Value of Options	\$264,000

¹ The exercise price, which is 33% premium to the 5-day VWAP prior to the grant, will be determined at the time of the grant of the Options. The valuation assumes an indicative exercise price of \$0.068 which is 33% premium to the 5-day VWAP prior to 14 July 2020, the actual exercise price (as a result, the valuation of the Incentive Options) may be higher or lower depending on the 5-day VWAP of the Company's Shares prior to the grant of the Incentive Options. The Incentive Options will be granted to the Directors within 1 month from the date of the Meeting.

(i) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass Resolutions 9 to 11.

7.4 Resolutions 9 to 11 – Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the grant of the Incentive Options under Resolutions 9 to 11:

- (a) the persons participating in the issues/grants of the Incentive Options are Adam Schofield, Warren Hallam and Stephen Brockhurst or their nominees, each of whom is a related party.
- (b) each of the persons is a Director, is therefore a related party and subject to Listing Rule 10.11.1.
- (c) the maximum number of securities to be issued is 8,000,000 Incentive Options, with the details set out in section 7 above.
- (d) the securities to be issued are Incentive Options exercisable at 33% premium to the 5-day VWAP before the date of the grant of the Options each and expire on the day immediately before the date of 3 years from the date of issue, and otherwise on terms are set out in Schedule 3. Securities issued

upon the exercise of the Incentive Options 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 the issue will occur on the same date.
- (f) the securities will be issued to incentivize the Directors, no funds will be raised from the issue. Funds raised from the exercise of the Incentive Options will be used towards the working capital of the Company.
- (g) the Directors' current total remuneration packages are set out in section 7.3(f) above.
- (h) other than those set out in this section 7 and Schedule 3, there are no other material terms in relation to the issues.
- (i) a voting exclusion statement is included in the Notice.

7.5 Directors recommendation

The Directors refrain from making a recommendation in relation to Resolutions 9 to 11 as they have a personal interest in the Resolutions.

8. Resolution 12: Issue of Performance Rights to a Related Party - Adam Schofield

8.1 Introduction

The Company proposes to grant 3,000,000 Performance Rights to Mr Adam Schofield (or his nominee) under the Employee Performance Rights and Option Plan approved by the Shareholders on 27 November 2018 (**Plan**). The grant is to remunerate the Director, Mr Schofield, while preserving the Company's cash, and further to align the Director's interest with the interest of the Shareholders.

The Performances Rights are proposed to be granted as Tranche 1, 2 or 3 and have the terms set out in the table below:

Tranche	Milestone	Expiry Date	Number of Performance Rights
1	Vest upon the Company achieving a market capitalisation of A\$10 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	3 years from issue	1,000,000
2	Vest upon the Company achieving a market capitalisation of A\$20 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	3 years from issue	1,000,000
3	Vest upon the Company's discovery of a 100,000oz JORC inferred resource with minimum average Au grade >1g/t, provided that if this is	3 years from issue	1,000,000

	achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted		
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The Performance Rights are inherently difficult to value as their value is contingent on uncertain outcomes in the future. Further, the negative impact of the dilution of the share capital in the Company upon the conversion of the Performance Shares into Shares is arguably offset by the positive impact the achievement of any performance criteria will have on the Company. However, despite this, the Company has ascribed a value of \$18,400 for the Tranche 1 Performance Rights, \$11,500 for the Tranche 2 Performance Rights and \$9,200 for the Tranche 3 Performance Rights for the purposes of this Notice, totaling \$39,100 to Mr Adam Schofield. These values have been calculated by applying the share price of the Company on 3 August 2020 (\$0.068) which is multiplied by the number of performance rights to be granted and multiplied by a probability of each milestone being achieved (Milestone 1: 40%; Milestone 2: 25%; Milestone 3: 20%).

8.2 Regulatory requirements

The regulatory requirements under Chapter 2E of the Corporations Act are set out in section 7.2. The Directors (other than Mr Adam Schofield 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 grant of the Performance Rights because the grant of the Performance Rights forms part of the remuneration package for Mr Adam Schofield and is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The proposed grant of Performance Rights to Adam Schofield (or his nominee) requires the Company to obtain Shareholder approval pursuant to ASX Listing Rule 10.14 because it will result in the Company issuing securities to a related party of the Company under an employee incentive scheme. Accordingly, Shareholder approval is sought pursuant ASX Listing Rule 10.14 (in accordance with the provisions of Listing Rule 10.15).

Approval under ASX Listing Rule 10.14 means that approval pursuant to ASX Listing Rule 7.1 is not required for the proposed grant of Performance Rights to Adam Schofield (or his nominee). Accordingly, the issue will not be included in the Company's 15% capacity under ASX Listing Rule 7.1. Accordingly, the issue will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

8.3 Information required by Listing Rule 10.15

The following information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) the related party is Adam Schofield (or his nominee).
- (b) by virtue of being a Director of the Company, Listing Rule 10.14.1 applies.
- (c) the number and class of securities proposed to be issued to Adam Schofield (or his nominee) for which approval is being sought is 3,000,000 Performance Rights.
- (d) the current remuneration package of Adam Schofield is set out in section 7.3(f).

- (e) the number of securities that have previously been issued to the person under the Plan and the average acquisition price (if any) paid by the person for those securities is as follows:

	Number of securities previously issued to the person under the Plan	Average acquisition price
Adam Schofield	1,500,000 performance rights	\$Nil
Adam Schofield	2,500,000 options	\$Nil

- (f) the securities are not fully paid ordinary securities:
- (i) the terms and conditions of the Performance Rights are set out in Schedule 7;
 - (ii) an explanation of why that type of security is being used is set out in section 8.1; and
 - (iii) the value the entity attributes to the Performance Rights and its basis is set out in section 8.1.
- (g) the Performance Rights will be granted to Mr Adam Schofield (or his nominee) no later than three (3) years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Performance Rights will be granted on the same date.
- (h) the Performance Rights will be granted for nil cash consideration as long-term incentives for Mr Adam Schofield as a Director. Accordingly, no funds will be raised from the grant of the Performance Rights.
- (i) the principal terms of the Plan are set out in Schedule 6.
- (j) no loan has been or will be provided to Mr Adam Schofield (or his nominee) relating to the grant of the Performance Rights.
- (k) details of any securities issued under the Plan will be published in the Company's annual report relating to the period in which they were issued, including a statement that approval was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the Resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.
- (l) a voting exclusion statement is included in the Notice.

8.4 Directors Recommendations

The Board (other than Mr Adam Schofield who refrains from making a recommendation in respect of the issue of the Performance Rights as he has a material personal interest in the outcome of Resolution 12) recommends that Shareholders vote in favour of Resolution 12 for the reasons set out in section 8.1.

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

Annual Report means the annual report of the Company for the financial year ended on 30 June 2020.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Auditor's Report means the auditor's report contained in the Annual Report.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board or the Directors means the board of Directors.

Chair means the chairperson of the Meeting.

Company means Nelson Resources Limited ACN 127 620 482.

Constitution means the constitution of the Company as at the date of the Meeting.

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

Director means a director of the Company.

Directors' Report means the directors' report contained in the Annual Report.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Financial Report means the financial report contained in the Annual Report.

Follow-on Placement Shares has the ascribed to it under section 4.1.

Incentive Options means the incentive Options with an exercise price of 33% premium to the 5-day VWAP before the issue and an expiry date immediately before the date of three years from the date of the issue and otherwise on the terms set out in Schedule 3.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listed Options means Options in the Company which are quoted on the ASX, the terms and conditions of which are set out in section 9.2 of the prospectus dated and announced to ASX on 9 June 2020, a summary of which is set out in Schedule 2.

Listing Rules means the listing rules of ASX, as amended from time to time.

Meeting, General Meeting or Annual General Meeting means the Annual General Meeting of Shareholders to be held at Level 11, 216 St Georges Terrace, Perth, Western Australia 6000 on 15 September 2020, commencing at 9:00am (AWST).

Notice or Notice of Meeting means this notice of annual general meeting incorporating this Explanatory Statement.

Placement Shares has the ascribed to it under section 4.1.

Placement Options has the ascribed to it under section 4.1.

Proxy Form means the proxy form attached to this Notice.

Relevant Period has the meaning given in Listing Rule 7.1; being

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

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Rights Issue has the ascribed to it under section 4.1.

Share means an ordinary fully paid share in the Company.

Shareholder means a holder of a Share.

VWAP has the meaning given in the Listing Rules.

Schedule 1: Terms and Conditions of Placement Options

1. Entitlement

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

2. Expiry Date

Each Option will expire at 5.00pm (WST) on the date that is 24 months from the date of issue (**Expiry Date**), being 14 February 2022.

3. Exercise Price

Each Option will have an exercise price equal to \$0.08 (**Exercise Price**).

4. Exercise period and lapsing

Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

5. Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

6. Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

7. Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

8. Timing of issue of Shares

Subject to clause 9 (shareholder and regulatory approvals), within 5 business days after the later of the following:

- i. receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- ii. the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will allot and issue the Shares pursuant to the exercise of the Options and, provided it is legally able to do so:

- iii. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- iv. apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

9. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise 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 exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

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):

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

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders, there will be no adjustment to the Exercise Price.

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 Options on ASX.

15. Transferability

The Options are not transferrable.

Schedule 2: Terms and Conditions of Listed Options

1. The Options will be issued for no cash consideration.
2. Each Option entitles the holder to, upon exercise, be issued one Share.
3. The exercise price of the Options is \$0.08 each.
4. The expiry date of an Option is 24 months from issue, being 7 July 2022.
5. The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
6. The Company currently intends to apply for quotation of the Options on the official list of the ASX. Quotation of the Options is not guaranteed or automatic but will depend on ASX exercising its discretion under the Listing Rules.
7. The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
8. The holder of an Option may not exercise less than 6,250 Options at any one time unless the holder has less than 6,250 Options in which event the Holder must exercise all of the Options together.
9. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
10. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
11. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
 - i. the exercise price of the Option; or
 - ii. period of exercise of the Option; or
 - iii. except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
12. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
13. If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to

him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.

- 14.** In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

Schedule 3: Terms and Conditions of Incentive Options

1. Entitlement

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

2. Expiry Date

Each Option will expire at 5.00pm (WST) on the day immediately before the date of 3 years from the date of issue (**Expiry Date**).

3. Exercise Price

Each Option will have an exercise price equal to 33% premium to the 5-day VWAP before the date of the grant of the Options (**Exercise Price**).

4. Exercise period and lapsing

Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

5. Exercise Notice and payment

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

6. Shares issued on exercise

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

7. Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

8. Timing of issue of Shares

Subject to clause 9 (shareholder and regulatory approvals), within 5 business days after the later of the following:

- i. receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- ii. the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will allot and issue the Shares pursuant to the exercise of the Options and, provided it is legally able to do so:

- iii. give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- iv. apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

9. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise 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 exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

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):

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

12. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

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 Options on ASX.

15. Transferability

The Options are not transferrable.

Schedule 4: Issues of Securities under Listing Rule 7.1A in the previous 12 months

Issue Date	No. Securities issued	Security Type	Security Recipients	Issue Price & Details of any Discount to Market Price (if applicable)	Consideration and Use of Funds as at the Date of this Notice of Meeting
14 February 2020	4,004,447 Shares	Fully paid ordinary shares	Professional and sophisticated investors	\$0.0415 each, which is 122.06% of closing market price of \$0.034 on the date of the issue	\$300,000 consideration. Funds have been applied towards exploration activities at the Company's existing Western Australian projects (Woodline), new project /JV evaluation and working capital. No funds remain.
7 July 2020	5,814,629 Shares	Fully paid ordinary shares	Professional and sophisticated investors	\$0.038 each, which is 76% of closing market price of \$0.05 on the date of the issue	\$220,956 consideration. No funds have been used. Funds will be used to undertake exploration on the Company's Woodline gold project located at the boundary of the Albany Fraser Oregon and Yilgarn Craton and contribute towards working capital requirements and costs of the Rights Issue.

Schedule 5: Effect of various issues and proposed issues on the capital structure

The effect of the various issues on the capital structure of the Company is as follows (assuming no other Shares are issued):

Item	Number	Percentage
Shares currently on issue (excluding Shares issued under Resolutions 3, 4, 5 and 6)	98,414,608	72.18%
Shares issued under the Placement (Resolution 3)	3,224,469	2.36%
Maximum number of Shares can be issued under the Options under the Placement (Resolution 3)	3,614,458	2.65%
Shares issued under the Placement (Resolution 4)	4,004,447	2.94%
Shares issued under the Follow-on Placement (Resolution 5)	3,343,989	2.45%
Maximum number of Shares can be issued under the Options under the Follow-on Placement (Resolution 5)	4,579,275	3.36%
Shares issued under the Follow-on Placement (Resolution 6)	5,814,629	4.26%
Maximum number of Shares can be issued under the Options to Mahe Capital Pty Ltd (Resolution 7)	2,355,254	1.73%
Maximum number of Shares can be issued to the Directors under the Incentive Options (Resolutions 9 -11)	8,000,000	5.87%
Maximum number of Shares can be issued under the Performance Rights to Adam Schofield (Resolution 12)	3,000,000	2.20%
Total	136,351,129	100%

Schedule 6: Employee Performance Rights and Option Plan

The Company adopted an Employee Performance Rights and Option Plan (**Plan**) on 27 November 2018. The objective of the Plan is to establish a method by which eligible participants can be involved in the future growth and profitability of the Company. A summary of the Plan is set out below.

1. Offer and acceptance of Awards

Under the Plan, the Board may from time to time offer eligible participants an opportunity to subscribe for options and performance rights (**Awards**) in the Company. Such an offer will be made via an offer document, which will specify, among other things, any vesting conditions relating to the Awards, the final acceptance date of the offer, and any other terms and conditions attaching to the Awards.

The Board will determine prior to an Offer being made, and specify in the Offer, any vesting conditions attaching to the Awards. The Board may apply different vesting conditions to one or more portions of any Awards.

An eligible participant (**Eligible Participant**) of the Plan includes a:

- (i) full-time or part-time employee (including an executive Director);
- (ii) non-executive Director;
- (iii) contractor;
- (iv) casual employee; or
- (v) prospective participant.

2. Options

The exercise period for Options will commence when any vesting conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and will end on the expiry date, subject to the Plan Rules and the terms of the Company's Securities Trading Policy.

Options are deemed to have vested if and when any vesting conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan rules, and where the Company has issued a vesting notification to the Participant informing it that some or all its Options have vested and are exercisable.

At the sole and absolute discretion of the Board, following the issuing of a vesting notification to a Participant, a vested Option may be exercised by the Participant within the exercise period.

3. Performance Rights

Performance Rights are deemed to have vested if and when any vesting conditions applicable to a Participant's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and where the Company has issued a vesting notification to the Participant informing them that some or all its Performance Rights have vested and will convert into Shares upon being exercised by the Participant.

Following the issuing of a vesting notification to a Participant, a vested Performance Right may be exercised by the Participant at any time prior to the expiry date.

4. 5% Limit

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

5. Cashless Exercise Facility

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless**

Exercise Facility). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off. Any such request must be expressly made by the Participant in the Exercise Notice. The Board may approve or refuse the request in its sole and absolute discretion.

6. Change of control event

If a change of control event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Options or unvested Performance Rights held by a Participant will be treated.

7. Breach, fraud or dishonesty

Where, in the opinion of the Board, a Participant:

- (i) acts fraudulently or dishonestly; or
- (ii) is in material breach of his or her duties or obligations to the Company or the Group,

then the Board may in its sole and absolute discretion determine that:

- (iii) all vested or unvested Awards will lapse; and/or
- (iv) where any Plan Shares have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.

8. Reconstruction of Share Capital

If there are variations to the share capital of the Company including a variation or rights issue, sub-division, consolidation, reduction, return or cancellation of share capital, a demerger (in whatever form) or other distribution in specie, the Board may adjust the number of Awards to which a Participant is entitled and the exercise price (if applicable) in accordance with the Listing Rules.

9. Participation Rights

Nothing in the rules of the Plan, participation in the Plan or the terms of any Award:

- (i) confers upon an Eligible Participant a right to a grant or offer of a grant of Awards;
- (ii) confers on an Eligible Participant or a Participant the right to continue as an employee, contractor or officer of the Company or the Group (as the case may be) or participate in the Plan;
- (iii) affects the rights of the Company or the Group to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
- (iv) affects the rights and obligations of any Eligible Participant or Participant under the terms of its employment, engagement or office with the Company or the Group;
- (v) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against the Company or the Group in respect of its employment, engagement or office;
- (vi) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of its employment, engagement or office by the Company or the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (vii) confers any responsibility or liability on the Company or the Group or its directors, officers, employees, representatives, advisers or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

10. Listing Rules

While the Company remains admitted to the ASX, the terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

Schedule 7: 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. The Performance Rights will be subject to genuine disposal restrictions.

2. No cash consideration

The Performance Rights will be granted for no cash consideration.

3. 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.

Tranche	Performance Condition	Expiry Date
1	Vest upon the Company achieving a market capitalisation of A\$10 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	3 years from issue
2	Vest upon the Company achieving a market capitalisation of A\$20 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	3 years from issue
3	Vest upon the Company's discovery of a 100,000oz JORC inferred resource with minimum average Au grade >1g/t, provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	3 years from issue

4. 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.

5. Exercise

Subject to paragraphs (c) and (g), Performance Rights may only be exercised by notice in writing to the Company (**Exercise Notice**). Any Exercise Notice for a Performance Right received by the Company will be deemed to be a notice of the exercise of that Performance Right as at the date of receipt. No exercise price, or share issue price, is payable by the holder and the Company must issue the number of Shares, update the share register and issue and send to the holder an updated holding statement within 5 business days after receiving the notice.

6. Shares issued on exercise

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

7. Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Performance Rights into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Performance Rights would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Performance Right that would cause the contravention will be deferred until such time or times that the exercise 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 exercise 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 exercise of the Performance Rights will not result in any person being in contravention of section 606(1) of the Corporations Act.

8. 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.

9. 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 exercise of an Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.

10. 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.

11. 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.

12. Quotation

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

13. Non-Transferable

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

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

Special Circumstances means:

- iii. death or Total or Permanent Disability of the Participant; or
- iv. retirement or Redundancy the Participant;
- v. the Participant suffering Severe Financial Hardship;
- vi. any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- vii. any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

14. 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.

15. Deferred taxation

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Rights.

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NELSON RESOURCES LIMITED | 83 127 620 482

AGM Registration Card

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

Holder Number:

Vote by Proxy: NES

Your proxy voting instruction must be received by **9.00am (AWST) on Sunday, 13 September 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

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

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

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

CORPORATE REPRESENTATIVES

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

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

