
LOS CERROS LIMITED
ACN 119 759 349
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am (WST)

DATE: 23 January 2023

PLACE: Grant Thornton, Level 43 Central Park, 152-158 St Georges Terrace,
Perth WA 6000

The business of the Meeting affects your shareholding and your vote is important.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00 am on 21 January 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SHARES FOR ACQUISITION

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 65,064,886 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 - RATIFICATION OF PRIOR ISSUE OF OPTIONS TO EMPLOYEE

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,500,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF OPTIONS TO BROKER

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 - APPROVAL TO ISSUE SHARES TO S3 CONSORTIUM

To consider and, if thought fit, to pass with or without amendment, 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 up to 4,845,814 Shares to S3 Consortium Pty Ltd (or its respective nominees), on the terms and conditions in the Explanatory Memorandum."

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 - ADOPTION OF EMPLOYEE INCENTIVE PLAN

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

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt a revised employee incentive scheme titled 'Employee Incentive Securities Plan' and for the issue of

Securities under the scheme capped at 71,571,374, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

6. RESOLUTION 6 - ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR - MR JASON STIRBINSKIS

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 9,300,000 Performance Rights to Mr Jason Stirbinkis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 19 December 2022

By order of the Board

**Michael Allen
Company Secretary**

Voting Prohibition Statements

Resolution 5 - Adoption of Revised Long-Term Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 6 - Issue of Incentive Performance Rights to Director - Mr Jason Stirbinskis	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 40px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 40px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

Resolution 1 - Ratification of prior issue of Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely Glenn Twomey and John Dobe) or an associate of that person or those persons.
Resolution 2 - Ratification of prior issue of Options to Employee	A person who participated in the issue or is a counterparty to the agreement being approved (namely John Dobe) or an associate of that person or those persons.
Resolution 3 - Ratification of prior issue of Options to Broker	A person who participated in the issue or is a counterparty to the agreement being approved (namely Euroz Hartleys) or an associate of that person or those persons.
Resolution 4 - Approval to issue Shares to S3 Consortium Pty Ltd	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely S3 Consortium Pty Ltd) or an associate of that person (or those persons).
Resolution 5 - Adoption of Revised Employee Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 6 - Issue of Incentive Performance Rights to Director - Mr Jason Stirbinskis	Jason Stirbinskis (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Shareholders who are unable to attend the Meeting or wish to submit questions prior to the Meeting may submit written questions by emailing mike@loscerros.com.au. In order for questions to be appropriately considered, it is recommended that questions be received by 10.00 am (AWST) on 16 January 2023.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (8) 9463 2463

EXPLANATORY STATEMENT

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

1. RESOLUTIONS 1-3 - RATIFICATION OF PRIOR ISSUES

1.1 General

The Company has issued the following Securities in November 2022 that the Company is now seeking to ratify:

- (a) 65,064,886 Shares to the vendors of Footprint Resources Pty Ltd as part consideration for the acquisition of 100% of the interests in Footprint announced to ASX on 25 November 2022;
- (b) 6,500,000 Options to an employee as part of his employee incentives; and
- (c) 25,000,000 Options to Euroz Hartleys as part consideration for their engagement as the Company's ongoing corporate advisor,

(Previous Issues).

Resolutions 1 to 3 seek the ratification of each of those Previous Issues.

1.2 Listing Rule 7.1 and 7.1A

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2022.

The Previous Issues do not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, they effectively use up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of those Previous Issues.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Previous Issues.

1.3 Technical information required by Listing Rule 14.1A

If any of Resolutions 1 to 3 are passed, the issue relevant to that Resolution will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of that issue.

If any of Resolutions 1 to 3 are not passed, the issue relevant to that Resolution will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the that issue.

1.4 Resolution 1

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Shares were issued to each of Mr Glenn Twomey and Mr John Dobe in equal amounts as part consideration for the acquisition by the Company of their respective shares in Footprint;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
- (c) Following the issue, each of Mr Twomey and Mr Dobe acquired a 5% interest in the Company (refer to the Notice of Substantial Holder for each holder lodged with ASX on 29 November 2022);
- (d) a total of 65,064,886 Shares were issued and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares were issued on 22 November 2022;
- (f) no cash was paid for the Shares as they were issued as part consideration for the acquisition by the Company of 100% of the shares in Footprint, as announced to ASX on 25 November 2022;
- (g) the purpose of the issue of the issue was to complete the acquisition of Footprint; and
- (h) the Shares were issued under the agreement between the Company and the shareholders of Footprint pursuant to which the Company acquired 100% of the shares on issue in Footprint, the key terms of which were announced to ASX on 25 November 2022.

1.5 Resolution 2

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Options were issued to Mr John Dobe, an employee of the Company;

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 6,500,000 Options were issued on the terms and conditions set out in Schedule 1. Upon exercise of the Options, all fully paid ordinary shares issued will be issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on 23 November 2022;
- (e) the Options were issued for nil cash consideration as they were issued to an employee as part of their engagement;
- (f) the purpose of the issue of the Options was to incentivise new employee Mr John Dobe where there was insufficient capacity under the Company's employee incentive plan to issue him the Options. Further Options (6.5 million) were issued to Mr Twomey under the employee incentive plan and a total of 19.5 million Performance Rights were also issued to Mr Dobe and Mr Twomey under the employee incentive plan. Those additional securities are not part of this Resolution; and
- (g) the Options were issued pursuant to the employment agreement entered into between John Dobe and the Company following the acquisition by the Company of Footprint Resources Pty Ltd.

1.6 Resolution 3

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

- (a) the Options were issued to Euroz Hartleys;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 25,000,000 Options were issued on the terms and conditions set out in Schedule 2. Upon exercise of the Options, all fully paid ordinary shares issued will be issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on 29 November 2022;
- (e) the Options were issued for nil cash consideration as they were issued to Euroz Hartleys as part of their engagement to act as the Company's corporate advisor;

- (f) the purpose of the issue of the Options was to comply with the Company's obligations under the corporate advisory mandate entered into with Euroz Hartleys; and
- (g) the Options were issued pursuant to the corporate advisory mandate entered into with Euroz Hartleys pursuant to which Euroz Hartleys will act as the corporate advisor the Company and the Company will pay Euroz Hartleys a fee of \$3,000 per month together with the issue of the Options.

2. RESOLUTION 4 - APPROVAL TO ISSUE SHARES TO S3 CONSORTIUM PTY LTD

2.1 General

The Company has entered into a mandate pursuant to which the Company will issue (subject to shareholder approval), 4,845,814 Shares at a deemed issue price of \$0.0454 per Share in lieu of cash fees payable to S3 Consortium Pty Ltd for services provided the Company (**Shares**).

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

The proposed issue of the Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and must be approved by Shareholders before the Shares can be issued. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Shares. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Shares and will need to pay cash to S3 Consortium for its services provided to the Company.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Shares.

2.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Shares will be issued to S3 Consortium Pty Ltd (or its nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;

- (c) the maximum number of Shares to be issued is 4,845,814. The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) no cash will be payable for the Shares, although they will be issued at a deemed price of \$0.0454 for a total value of \$220,000;
- (f) the purpose of the issue of the Shares is to pay for services from S3 Consortium Pty Ltd in lieu of cash fees for those services;
- (g) the Shares will be issued under a mandate with S3 Consortium Pty Ltd to provide content and distribution services for a term of 18 months. The mandate is terminable on 10 Business Days' notice. If the mandate is terminated within the first 6 months, then the Shares will be sold and funds returned to the Company. The mandate is otherwise on terms considered standard for commercial advisory mandates;
- (h) the Shares are not being issued under, or to fund, a reverse takeover.

3. RESOLUTION 5 - ADOPTION OF EMPLOYEE INCENTIVE PLAN

3.1 General

Resolution 5 seeks Shareholder approval for the adoption of a revised employee incentive scheme titled "Employee Incentive Securities Plan" (**Proposed Plan**) and for the issue of Securities under the Proposed Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

With effect from 1 October 2022, a new employee share scheme (**ESS**) regime under the Corporations Act (**New Regime**) will be introduced to replace and expand the current level of relief provided by ASIC CO 14/1000 Class Order. The purpose of the New Regime is to make it easier for companies to access regulatory relief from the Corporations Act provisions in respect of licencing, advertising and hawking and the design and distribution obligations with a streamlined set of disclosure requirements applying to the ESS.

The Company's current incentive plan (**Current Plan**) was adopted in October 2020 (and amended in August 2021). In light of the changes under the New Regime, the Company proposes to adopt the Proposed Plan to ensure compliance with, and to take advantage of the benefits, under the New Regime.

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

3.2 Listing Rule 7.1 and Listing Rule 7.2 (Exception 13(b))

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

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

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

If Resolution 5 is passed, the Company will be able to issue Securities under the Proposed Plan to eligible participants over a period of 3 years. The issue of any Securities to eligible participants under the Proposed Plan (up to the maximum number of Securities stated in Section 3.3(c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

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

If Resolution 5 is not passed, the Company will be able to proceed with the issue of Securities under the Proposed Plan to eligible participants, but any issues of Securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Securities.

3.3 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 5:

- (a) a summary of the key terms and conditions of the Proposed Plan is set out in Schedule 3;
- (b) the Company has not issued any Securities under the Proposed Plan as this is the first time that Shareholder approval is being sought for the adoption of the Proposed Plan, however, the Company has issued a total of 44,465,000 under the Current Plan since it was first adopted in August 2021; and
- (c) the maximum number of Securities proposed to be issued under the Proposed Plan, following Shareholder approval, is 71,571,374 Securities. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately and any issues will also be subject to the Corporations Act.

4. RESOLUTION 6 - ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR - MR JASON STIRBINSKIS

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 9,300,000 Performance Rights (**Performance Rights**) to Managing Director, Jason Stirbinkis (or his nominee) on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval for the issue of the Performance Rights to Mr Stirbinskis (or his nominee).

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Performance Rights to Mr Stirbinskis (or his nominee) constitutes giving a financial benefit and Mr Stirbinskis is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Stirbinskis 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 Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for Mr Stribinskis is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

4.3 Listing Rule 10.11

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Performance Rights falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 5 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.11.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Stirbinskis within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.11), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and will need to agree other forms of long term incentives for Mr Stirbinskis.

4.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Performance Rights will be issued to Jason Stirbinskis (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Mr Stirbinskis is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued is 9,300,000;
- (c) the issue of the Performance Rights was resolved by the Board on 4 December 2022, when the 60-day VWAP was \$0.0355;
- (d) the terms and conditions of the Performance Rights are set out in Schedule 4;
- (e) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Performance Rights will occur on the same date;
- (f) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (g) the purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for Jason Stirbinskis to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Stirbinskis, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Stirbinskis;
- (h) the current remuneration package for Mr Stirbinskis is \$345,292, comprising of salary of \$320,000 and a superannuation payment of \$25,292. There are also short-term cash incentives for 2023 of \$200,000 subject to performance hurdles. If the Performance Rights are issued, the total remuneration of Mr Stirbinskis will increase by \$239,010, being the value of the Performance Rights (based on a valuation in accordance with AASB 2);
- (i) the Performance Rights are not being issued under an agreement; and
- (j) a voting exclusion statement is included in Resolution 5 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Los Cerros Limited (ACN 119 759 349).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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.

Listing Rules means the Listing Rules of ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Rights means a right to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

VWAP means the volume weighted average price.

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

SCHEDULE 1 - TERMS AND CONDITIONS OF EMPLOYEE OPTIONS

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.0474 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 16 November 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and

do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

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

(i) Reconstruction of capital

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

(j) Participation in new issues

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

(k) Change in exercise price

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

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 - TERMS AND CONDITIONS OF BROKER OPTIONS

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 29 November 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the

Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

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

(i) Reconstruction of capital

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

(j) Participation in new issues

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

(k) Change in exercise price

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

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 - TERMS OF THE PROPOSED EMPLOYEE INCENTIVE SCHEME

A summary of the material terms of the proposed Employee Incentive Scheme (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Options, Performance Rights and Shares (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;

	<p>(c) is not entitled to receive any dividends declared by the Company; and</p> <p>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</p>
Vesting of Convertible Securities	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>
Listing of Convertible Securities	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of Convertible	<p>Convertible Securities will be forfeited in the following circumstances:</p>

Securities	<p>(a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant;</p> <p>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</p> <p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the Expiry Date.</p>
Change of control	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
Adjustment of Convertible Securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Plan Shares	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
Rights attaching to Plan Shares	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>

Disposal restrictions on Plan Shares	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Plan Shares	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
Maximum number of Securities	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b).</p>
Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed</p>

	<p>period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

SCHEDULE 4 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

1.	Entitlement	Each Performance Right entitles the holder to subscribe for one Share upon the Company achieving the applicable Milestone prior to the applicable expiry date of that Performance Right.
2.	Consideration	No amount is payable on the exercise of the Performance Rights.
3.	Notification to holder	The Company will notify the holder in writing when a Milestone has been satisfied.
4.	No. of Performance Rights	9,300,000 Performance Rights convertible in four equal tranches on achievement of the milestones set out in clause 5 below.
5.	Milestones	<p>The Performance Rights will vest as follows:</p> <p>(a) 2,325,000 Performance Rights will vest and be convertible by the holder upon the achievement of the greater of the two following milestones:</p> <p style="margin-left: 40px;">(i) the Company achieving a 60-day VWAP of not less than \$0.06 on or before 31 December 2023; or</p> <p style="margin-left: 40px;">(ii) the Company achieving a closing share price that is 105% of the Company's closing share price on the date that a shareholders' resolution approving the issue of the Performance Rights is passed. For the avoidance of doubt, this milestone will be calculated as follows: where the relevant closing price is \$0.05, the vesting hurdle will be $\\$0.05 \times 1.05 = \\0.0525; and</p> <p>(b) 2,325,000 Performance Rights will vest and be convertible by the holder upon the achievement of the greater of the two following milestones:</p> <p style="margin-left: 40px;">(i) the Company achieving a 60-day VWAP of not less than \$0.08 on or before 31 December 2024; or</p> <p style="margin-left: 40px;">(ii) the Company achieving a closing share price that is 105% of the Company's closing share price on the date that a shareholders' resolution approving the issue of the Performance Rights is passed. For the avoidance of doubt, this milestone will be calculated as follows: where the relevant closing price is \$0.05, the vesting hurdle will be $\\$0.05 \times 1.05 = \\0.0525; and</p> <p>(c) 2,325,000 Performance Rights will vest and be convertible by the holder upon the achievement of the greater of the two following milestones:</p> <p style="margin-left: 40px;">(i) the Company achieving a 60-day VWAP of not less than \$0.10 on or before 31 December 2025; or</p> <p style="margin-left: 40px;">(ii) the Company achieving a closing share price that is 105% of the Company's closing share price on the date that a shareholders' resolution approving the issue of the Performance Rights is passed. For the avoidance of doubt, this milestone will be calculated as follows: where the relevant closing price is \$0.05, the vesting hurdle will be $\\$0.05 \times 1.05 = \\0.0525; and</p> <p>(d) 2,325,000 Performance Rights will vest and be convertible by the holder upon the announcement by the Company of a JORC 2012 Resource of an aggregate of at least 1.5 million ounces of gold equivalent at a cut-off grade of not less than 3</p>

		<p>grammes per tonne of gold equivalent on or before 31 December 2025.</p> <p>A Performance Right will vest upon the achievement of the relevant milestone and when a vesting notice is given to the holder (Vesting Date).</p>
6.	Lapsing of Performance Rights	<p>The Performance Rights will automatically lapse where:</p> <p>(a) the holder ceases to be employed or engaged by the Company, unless Special Circumstances are deemed to apply; or</p> <p>(b) the relevant milestone has not been achieved by the date ascribed to those Performance Rights.</p>
7.	Expiry Date	<p>Each Performance Right will expire on the date that is the day after the 12-month anniversary of the Vesting Date (Expiry Date).</p> <p>A Performance Right not exercised before the Expiry Date will automatically lapse on the day after the 12-month anniversary of the Vesting Date.</p>
8.	Rights attaching to Performance Rights	<p>Prior to a Performance Right being exercised, the holder:</p> <p>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right;</p> <p>(b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</p> <p>(c) is not entitled to receive any dividends declared by the Company;</p> <p>(d) has no entitlement to participate in surplus profits or assets of the Company on a winding up; and</p> <p>(e) is not entitled to participate in any new issue of Shares (refer to section 18).</p>
9.	Restrictions on dealing with Performance Rights	<p>The Performance Rights cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances with the consent of the Board in which case the Performance Rights may be exercisable within one (1) month of the date the Eligible Participant ceases to be an Eligible Participant.</p> <p>A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.</p>
10.	Restrictions on trading	<p>The Performance Rights and any Shares issued on conversion of the Performance Rights will be subject at all times to the Company's Securities Trading Policy (as amended from time to time).</p>
11.	Forfeiture Conditions	<p>Performance Rights will be forfeited in the following circumstances:</p> <p>(a) in, the case of unvested Performance Rights only, where the holder ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group);</p> <p>(b) where the holder acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</p> <p>(c) where there is a failure to satisfy the vesting conditions;</p> <p>(d) on the date the holder or their Nominated Party (if applicable) becomes insolvent; or</p>

		(e) on the Expiry Date.
12.	Exercise	The holder may exercise their Performance Rights in whole or in part by lodging with the Company on or after the Vesting Date and prior to the Expiry Date a written notice of exercise of Performance Rights specifying the number of Performance Rights being exercised (Exercise Notice).
13.	Timing of issue of Shares and quotation of Shares on exercise	<p>Within five business days after the issue of a Notice of Exercise by the holder, the Company will:</p> <ul style="list-style-type: none"> (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled; (b) if required, issue a substitute certificate for any remaining unexercised Performance Rights held by the holder; (c) if required and subject to paragraph 13(a), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the ASX Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the ASX Listing Rules.
14.	Restrictions on transfer of the Performance Rights	Unless in Special Circumstances, the Performance Rights are not transferable.
15.	Restrictions on transfer of Shares on exercise	<p>Shares issued on exercise of the Performance Rights are subject to the following restrictions:</p> <ul style="list-style-type: none"> (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act; (b) all Shares issued on exercise of the Performance Rights are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and (c) all Shares issued on exercise of the Performance Rights are subject to the terms of the Company's Securities Trading Policy.
16.	Rights attaching to Shares on exercise	All Shares issued upon exercise of the Performance Right will rank equally in all respects with the then Shares of the Company.
17.	Change of Control	<p>Upon:</p> <ul style="list-style-type: none"> (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and: <ul style="list-style-type: none"> (i) having received acceptances for not less than 50.1% of the Company's Shares on issue; and (ii) having been declared unconditional by the bidder; or (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the

		<p>Company or its amalgamation with any other company or companies,</p> <p>then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, all outstanding Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.</p>
18.	Participation in entitlements and bonus issues	Subject always to the rights under paragraphs 19 and 20, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
19.	Adjustment for bonus issue	If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of the Performance Rights, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.
20.	Reorganisation	If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Performance Rights will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
21.	Application of the Income Tax Assessment Act	Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies to the scheme under this Offer.
22.	Definitions	<p>(a) Group means the Company and any of its related bodies corporate.</p> <p>(b) JORC means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (as amended or updated from time to time).</p> <p>(c) Special Circumstances means:</p> <p>(i) the holder ceasing to hold an executive position with the Company due to death or total or permanent disability of the holder; or</p> <p>(ii) any other exceptional or extraordinary circumstances as determined by the Board to constitute "Special Circumstances".</p> <p>(d) VWAP means volume weighted average price.</p>