



## Notice of Annual General Meeting and Explanatory Memorandum to Shareholders

**Date:** 14 May 2021  
**Time:** 11:00am (AWST)  
**Place:** QV1  
Level 2 - Conference Centre  
Conference Room: "Theatrette"  
250 St Georges Terrace  
Perth, Western Australia

Please read this Notice and Explanatory Memorandum carefully.  
If you are unable to attend the Annual General Meeting please  
complete and return your Proxy Form in accordance with the specified  
directions.

# West African Resources Limited

ACN 121 539 375

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of West African Resources Limited ACN 121 539 375 will be held at:

QV1  
Level 2 - Conference Centre  
Conference Room: "Theatrette"  
250 St Georges Terrace, Perth, Western Australia

on 14 May 2021 at 11:00am (AWST) for the purpose of transacting the following business referred to in this Notice.

## AGENDA

### FINANCIAL REPORTS

To receive and consider the financial report of the Company for the year ended 31 December 2020, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

### RESOLUTION 1: NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 31 December 2020 as set out in the 2020 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on the Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy 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 the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

## RESOLUTION 2: ELECTION OF MS ELIZABETH MOUNSEY AS A DIRECTOR

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

*"That, for the purpose of clause 12.17 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, Ms Elizabeth Mounsey, a Director who was appointed as an additional Director on 29 May 2020, retires, and being eligible, is elected a Director."*

## RESOLUTION 3: ELECTION OF MR STEWART FINDLAY AS A DIRECTOR

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

*"That, for the purpose of clause 12.17 of the Company's Constitution, Listing Rule 14.4 and for all other purposes, Mr Stewart Findlay, a Director who was appointed as an additional Director on 29 May 2020, retires, and being eligible, is elected a Director."*

## RESOLUTION 4: RE-ELECTION OF MR RICHARD HYDE AS A DIRECTOR

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

*"That, Mr Richard Hyde, who retires in accordance with clause 12.11.1 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

## RESOLUTION 5: RE-APPROVAL OF INCENTIVE OPTIONS AND PERFORMANCE RIGHTS PLAN

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

*"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve any issue of securities under the Incentive Options and Performance Rights Plan (**Plan**) for employees and Directors known as "Eligible Participants", a summary of the rules of which are set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum), as an exception to Listing Rule 7.1."*

**Voting exclusion statement:**

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

- (a) a person who is eligible to participate in the employee incentive scheme; or
- (b) an Associate of those persons.

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

- (a) a person as 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 of the Meeting as a 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 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or

- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## **RESOLUTION 6: GRANT OF PERFORMANCE RIGHTS TO MR RICHARD HYDE OR HIS NOMINEE(S)**

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, the Directors are authorised to issue up to 840,113 Performance Rights for no consideration, each with a nil exercise price, to Mr Richard Hyde or his nominee(s) under the Plan on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*
- (b) *an Associate of that person.*

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

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

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

## RESOLUTION 7: GRANT OF PERFORMANCE RIGHTS TO MR LYNDON HOPKINS OR HIS NOMINEE(S)

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, the Directors are authorised to issue up to 553,460 Performance Rights for no consideration, each with a nil exercise price, to Mr Lyndon Hopkins or his nominee(s) under the Plan on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) *a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or*
- (b) *an Associate of that person.*

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

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

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) *the appointment specifies the way the proxy is to vote on the Resolution; or*
- (b) *the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

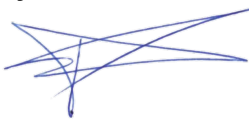
*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

### Other Business

To deal with other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

### By order of the Board



**Padraig O'Donoghue**  
CFO and Company Secretary

Dated: 13 April 2021

## Notes

### How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions by post, electronically via the internet or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective 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 below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 5, 6 and 7 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 11.00am (AWST) on 12 May 2021. Proxies received after this time will be invalid.
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a notarially certified copy of the Power of Attorney, or the power itself, must be received by the Company at the address below, or by facsimile, and by 11.00am (AWST) on 12 May 2021.
- Proxies may be lodged using any of the following methods:

#### **By internet:**

Log on to [www.investorvote.com.au](http://www.investorvote.com.au)

If you are a custodian and an Intermediary Online subscriber, you can log on to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### **By post:**

Computershare Investor Services Pty Limited,  
GPO Box 242,  
Melbourne Victoria 3001 Australia

#### **By fax:**

(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

### Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, 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 4.00pm (AWST) on 12 May 2021.

# West African Resources Limited

ACN 121 539 375

## Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

### 1 Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2020, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### 2 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2020 Annual Report be adopted. The Remuneration Report is set out in the Company's 2020 Annual Report and is also available under the Investor Centre on the Company's website ([www.westafricanresources.com](http://www.westafricanresources.com)).

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

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 31 December 2019 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 29 May 2020.

Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements, and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Voting**

Note that a voting exclusion applies to this Resolution in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **3 Resolutions 2 and 3 – Background**

Clause 12.16 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Pursuant to clause 12.17 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

## **4 Resolution 2 – Election of Ms Elizabeth Mounsey as a Director**

Resolution 2 seeks approval for the election of Ms Elizabeth Mounsey as a Director with effect from the end of the Meeting.

Ms Mounsey, having been appointed by the Board on 29 May 2020, retires from office in accordance with the requirements of clause 12.17 of the Constitution and ASX Listing Rule 14.4, and submits herself for election.

### **Other information**

Qualifications: Bachelor of Business (Human Resources & Industrial Relations), Member of the Australian Institute of Company Directors

Ms Mounsey has over 30 years' experience in human resources and industrial relations across the mining, construction, health, fisheries, and aviation industries. Over the last 15 years she has held senior positions with resource companies in various stages of development through feasibility, construction and operations.

Committee memberships: Remuneration (as Chair).

Other ASX listed directorships: Nil.

The Board considers that Ms Mounsey, if elected, will continue to be classified as an independent director.

The Company confirms it has conducted appropriate checks into Ms Mounsey's background and experience and those checks have not revealed any information of concern.

Ms Mounsey's experience and qualifications complement and enhance the composition of skills and knowledge on the Board. Her election will result in a Board skillset that is more effective at adding value to the Company. The members of the Board, in the absence of Ms Mounsey, support the election of Ms Mounsey as a Director of the Company.



## **5 Resolution 3 – Election of Mr Stewart Findlay as a Director**

Resolution 3 seeks approval for the election of Mr Stewart Findlay as a Director with effect from the end of the Meeting.

Mr Findlay having been appointed by the Board on 29 May 2020, retires from office in accordance with the requirements of clause 12.17 of the Constitution and ASX Listing Rule 14.4, and submits himself for election.

### **Other Information**

Qualifications: Bachelor of Commerce (Accounting & Finance), Member of the Australian Institute of Company Directors

Mr Findlay has over 25 years financial markets experience and has provided project finance (senior secured debt and corporate facilities), equity investments, commodity hedging arrangements and corporate advice to a large number of resource companies. He has held senior positions in the metals and mining divisions of Macquarie Bank and National Australia Bank.

Committee memberships: Audit (as Chair), Remuneration.

Other ASX listed directorships: Nil.

The Board considers that Mr Findlay, if elected, will continue to be classified as an independent director.

The Company confirms it has conducted appropriate checks into Mr Findlay's background and experience and those checks have not revealed any information of concern.

Mr Findlay's experience and qualifications complement and enhance the composition of Board skills and knowledge. His election will result in a Board skillset that is more effective at adding value to the Company. The members of the Board, in the absence of Mr Findlay, support the election of Mr Findlay as a Director of the Company.

## **6 Resolution 4 – Re-election of Mr Richard Hyde as a Director**

Pursuant to Clause 12.11 of the Company's Constitution, at each Annual General Meeting of the Company one third of the Directors for the time being, or if their number is not 3 or a multiple of 3, then the number nearest to but not exceeding 1/3 need to retire from office by rotation, but no Director may retain office for more than 3 years without submitting himself or herself for re-election even though the submission results in more than 1/3 of the Directors retiring from office.

Mr Hyde, being a Director, retires by way of rotation from office and in accordance with clause 12.11.1 of the Constitution and, being eligible, offers himself for re-election as a Director.

### **Other information**

Qualifications: BSc (Geology and Geophysics), MAusIMM, MAIG.

Mr Hyde is a geologist with 25 years' experience in the mining industry and more than 19 years of experience in West Africa. Mr Hyde has managed large exploration and development projects for gold and base metals in Australia, Africa and Eastern Europe. He led the Company from incorporation in 2006, IPO in 2010, and through the discovery, development, and operation of the Sanbrado Gold Project.

Committee memberships: Technical.

Other ASX listed directorships: Nil.

Mr Hyde is the Company's Executive Chairman and a founding Shareholder. He commenced as a Director in 2006.

Mr Hyde's experience and qualifications complement and enhance the composition of Board capabilities and knowledge. His re-election will result in a Board skillset that is more effective at adding value to the Company. Also, in the increasingly competitive mining industry employment-market conditions, Mr Hyde's extensive mining leadership background would be difficult to replace. The members of the Board, in the absence of Mr Hyde, support the re-election of Mr Hyde as a Director of the Company.

## **7 Resolution 5 – Incentive Options and Performance Rights Plan**

Shareholders previously approved the Incentive Option and Performance Rights Plan (**Plan**) at the Company's annual general meeting on 30 November 2018 and, in accordance with Listing Rule 7.2 (Exception 13(b)), the Company is now seeking re-approval of the Plan. 13,095,751 Performance Rights and 5,591,719 Incentive Options have been issued under the Plan since it was approved at the annual general meeting held on 30 November 2018. No changes to the Plan have been made since it was approved at the annual general meeting held on 30 November 2018.

The Directors considered that it was desirable to establish an employee incentive scheme pursuant to which employees and Directors may be offered the opportunity to subscribe for Incentive Options to acquire Shares in the Company or to be granted Performance Rights in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and Directors.

The Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the issue of performance rights or incentive options to employees and Directors is a cost effective and efficient means for the Company to provide an incentive to employees and Directors, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Incentive Options or Performance Rights pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to Eligible Participants the opportunity to subscribe for such number of Incentive Options in the Company, or apply for grant of such number of Performance Rights, as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in **Annexure A**. Incentive Options or Performance Rights granted under the Plan will be offered to Eligible Participants in the Plan on the basis of the Board's view of the contribution of the Eligible Participants to the Company.

For purposes of Listing Rule 7.2 Exception 13, the Company proposes that the maximum number of Performance Rights to be issued under the Plan following shareholder approval is 12,000,000, while the maximum number of Incentive Options to be issued under the Plan following Shareholder approval is 6,000,000. Once either number is reached the Company will need to seek fresh approval from Shareholders if the subsequent issue of Incentive Options or Performance Rights (as applicable) is to fall within Listing Rule 7.2 Exception 13.

If the Resolution is passed, the Company will be able to issue Incentive Options or Performance Rights under the Plan up to the maximum number set out in this Notice. In addition, those issues of Incentive Options or Performance Rights 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 the Resolution is not passed, the Company will be able to proceed to issue Incentive Options or Performance Rights under the Plan, however the issue of those Incentive Options or Performance Rights will not fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 and therefore effectively decreasing the number of Equity Securities which may be issued without Shareholder approval.

In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is set out in **Annexure A**;
- (b) The Plan was previously approved by Shareholders on 30 November 2018. A total of 5,591,719 Incentive Options and 13,095,751 Performance Rights have been issued pursuant to the Plan;
- (c) the maximum number of Performance Rights proposed to be issued under the Plan following approval of this Resolution is 12,000,000;
- (d) the maximum number of Incentive Options proposed to be issued under the Plan following approval of this Resolution is 6,000,000; and
- (e) a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

## **8 Resolutions 6 and 7 – Grant of Performance Rights to directors**

The Company proposes to grant Performance Rights (to Mr Richard Hyde and Mr Lyndon Hopkins (**Participating Directors**) or their nominees on the following terms and conditions. The grant is part of the “at-risk” component of their executive remuneration. An explanation of the Company’s objectives and framework for executive remuneration is set out in the Remuneration Report section of the Company’s Annual Report.

**Proposed grant to Mr Hyde or his nominee(s)**

<b>Award name</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Vesting Conditions</b>
Performance Rights in Lieu of 2020 STI Cash Incentive	145,066	Nil	3 years from date of issue.	Mr Hyde continuously holds office as an employee or Director of the Company for one year from date of issue.
2021 STI Performance Rights	202,722	Nil	3 years from date of issue.	<p>Mr Hyde continuously holds office as an employee or Director of the Company for two years from date of issue.</p> <p><i>Gateway hurdle:</i> At least 210,000 ounces of gold is produced in 2021.</p> <p><i>Weighted targets:</i> If the gateway hurdle is achieved, the number of options that will vest will be determined relative to the maximum considering the extent to which the following weighted targets are achieved:</p> <ul style="list-style-type: none"> <li>• <u>Production: 40% weighting</u> 2021 production guidance is achieved, being 250,000 to 280,000 ounces of gold<sup>1</sup>.</li> <li>• <u>Cost: 20% weighting</u> 2021 cost guidance is achieved, being AISC of US\$720 to US\$800 per ounce.</li> <li>• <u>Environmental: 20% weighting</u> There are no significant social or environmental incidents recorded.</li> <li>• <u>Safety: 20% weighting</u> The 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) is below the gold industry standard in Western Australia<sup>2</sup>.</li> </ul> <p><i>Personal performance targets:</i> Mr Hyde will also have personal performance criteria and objectives and the achievement of these targets will be considered in the assessment of the number of 2021 STI Performance Rights that will vest.</p>
2021 Production LTI Performance Rights	246,163	Nil	5 years from date of issue.	At least 600,000 ounces of gold is poured within the three-year period from 1 January 2021 to 31 December 2023.

<sup>1</sup> Refer ASX announcement 9/3/2021 "WAF Resource, Reserve and production guidance update 2021"

<sup>2</sup> Department of Mines, Industry Regulation and Safety, 2020, Safety performance in the Western Australian mineral industry — accident and injury statistics 2019-20: Department of Mines, Industry Regulation and Safety, Western Australia, 49 pp.  
[https://www.dmp.wa.gov.au/Documents/Safety/MSH\\_Stats\\_Reports\\_SafetyPerfWA\\_2019-20.pdf](https://www.dmp.wa.gov.au/Documents/Safety/MSH_Stats_Reports_SafetyPerfWA_2019-20.pdf)

2021 Shareholder Return LTI Performance Rights	123,081	Nil	4 years from date of issue.	<p>The proportion of Performance Rights that vest will be determined by the board based on the average annual total shareholder return (“TSR”) over the three-year performance period (1 January 2021 to 31 December 2023). TSR will be measured by the difference in the WAF share price from the 7-day VWAP prior to, and at the end of, the performance period:</p> <p>The Board will make its determination based on the following guidelines:</p> <table border="1" data-bbox="831 533 1299 808"> <thead> <tr> <th data-bbox="831 533 1066 607">TSR</th> <th data-bbox="1066 533 1299 607">Vesting proportion</th> </tr> </thead> <tbody> <tr> <td data-bbox="831 607 1066 674">0% to 5%</td> <td data-bbox="1066 607 1299 674">nil to 33%</td> </tr> <tr> <td data-bbox="831 674 1066 741">5% to 10%</td> <td data-bbox="1066 674 1299 741">33% to 100%</td> </tr> <tr> <td data-bbox="831 741 1066 808">&gt; 10%</td> <td data-bbox="1066 741 1299 808">100%</td> </tr> </tbody> </table>	TSR	Vesting proportion	0% to 5%	nil to 33%	5% to 10%	33% to 100%	> 10%	100%
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2021 Reserve Replacement LTI Performance Rights	123,081	Nil	4 years from date of issue.	<p>The proportion of Performance Rights that vest will be determined by the board based on replacement of Ore Reserves<sup>3</sup> due to depletion over the three-year period from 1 January 2021 to 31 December 2023 using the following guidelines:</p> <table border="1" data-bbox="831 1039 1299 1435"> <thead> <tr> <th data-bbox="831 1039 1066 1113">Ore Reserve change</th> <th data-bbox="1066 1039 1299 1113">Vesting proportion</th> </tr> </thead> <tbody> <tr> <td data-bbox="831 1113 1066 1211">Ore reserve is depleted</td> <td data-bbox="1066 1113 1299 1211">nil</td> </tr> <tr> <td data-bbox="831 1211 1066 1310">Ore reserve is maintained</td> <td data-bbox="1066 1211 1299 1310">50%</td> </tr> <tr> <td data-bbox="831 1310 1066 1435">Ore reserve is maintained or grown up to 20%</td> <td data-bbox="1066 1310 1299 1435">50% to 100% (straight line basis)</td> </tr> </tbody> </table>	Ore Reserve change	Vesting proportion	Ore reserve is depleted	nil	Ore reserve is maintained	50%	Ore reserve is maintained or grown up to 20%	50% to 100% (straight line basis)
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<sup>3</sup> Refer ASX announcement 9/3/2021 "WAF Resource, Reserve and production guidance update 2021"

**Proposed grant to Mr Hopkins or his nominee(s)**

<b>Award name</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Vesting Conditions</b>
Performance Rights in Lieu of 2020 STI Cash Incentive	107,917	Nil	3 years from date of issue.	Mr Hopkins continuously holds office as an employee or Director of the Company for one year from date of issue.
2021 STI Performance Rights	133,663	Nil	3 years from date of issue.	<p>Mr Hopkins continuously holds office as an employee or Director of the Company for two years from date of issue.</p> <p><i>Gateway hurdle:</i> At least 210,000 ounces of gold is produced in 2021.</p> <p><i>Weighted targets:</i> If the gateway hurdle is achieved, the number of options that will vest will be determined relative to the maximum considering the extent to which the following weighted targets are achieved:</p> <ul style="list-style-type: none"> <li>• <u>Production: 40% weighting</u> 2021 production guidance is achieved, being 250,000 to 280,000 ounces of gold<sup>4</sup>.</li> <li>• <u>Cost: 20% weighting</u> 2021 cost guidance is achieved, being AISC of US\$720 to US\$800 per ounce.</li> <li>• <u>Environmental: 20% weighting</u> There are no significant social or environmental incidents recorded.</li> <li>• <u>Safety: 20% weighting</u> The 12-month rolling Total Recordable Injury Frequency Rate (TRIFR) is below the gold industry standard in Western Australia<sup>5</sup>.</li> </ul> <p><i>Personal performance targets:</i> Mr Hopkins will also have personal performance criteria and objectives and the achievement of these targets will be considered in the assessment of the number of 2021 STI Performance Rights that will vest.</p>

<sup>4</sup> Refer ASX announcement 9/3/2021 "WAF Resource, Reserve and production guidance update 2021"

<sup>5</sup> Department of Mines, Industry Regulation and Safety, 2020, Safety performance in the Western Australian mineral industry — accident and injury statistics 2019-20: Department of Mines, Industry Regulation and Safety, Western Australia, 49 pp.  
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2021 Production LTI Performance Rights	155,940	Nil	5 years from date of issue.	At least 600,000 ounces of gold is poured within the three-year period from 1 January 2021 to 31 December 2023.								
2021 Shareholder Return LTI Performance Rights	77,970	Nil	4 years from date of issue.	<p>The proportion of Performance Rights that vest will be determined by the board based on the average annual total shareholder return ("TSR") over the three-year performance period (1 January 2021 to 31 December 2023). TSR will be measured by the difference in the WAF share price from the 7-day VWAP prior to, and at the end of, the performance period:</p> <p>The Board will make its determination based on the following guidelines:</p> <table border="1"> <thead> <tr> <th>TSR</th> <th>Vesting proportion</th> </tr> </thead> <tbody> <tr> <td>0% to 5%</td> <td>nil to 33%</td> </tr> <tr> <td>5% to 10%</td> <td>33% to 100%</td> </tr> <tr> <td>&gt; 10%</td> <td>100%</td> </tr> </tbody> </table>	TSR	Vesting proportion	0% to 5%	nil to 33%	5% to 10%	33% to 100%	> 10%	100%
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2021 Reserve Replacement LTI Performance Rights	77,970	Nil	4 years from date of issue.	<p>The proportion of Performance Rights that vest will be determined by the board based on replacement of Ore Reserves<sup>6</sup> due to depletion over the three-year period from 1 January 2021 to 31 December 2023 using the following guidelines:</p> <table border="1"> <thead> <tr> <th>Ore Reserve change</th> <th>Vesting proportion</th> </tr> </thead> <tbody> <tr> <td>Ore reserve is depleted</td> <td>nil</td> </tr> <tr> <td>Ore reserve is maintained</td> <td>50%</td> </tr> <tr> <td>Ore reserve is maintained or grown up to 20%</td> <td>50% to 100% (straight line basis)</td> </tr> </tbody> </table>	Ore Reserve change	Vesting proportion	Ore reserve is depleted	nil	Ore reserve is maintained	50%	Ore reserve is maintained or grown up to 20%	50% to 100% (straight line basis)
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<sup>6</sup> Refer ASX announcement 9/3/2021 "WAF Resource, Reserve and production guidance update 2021"

## **Other key terms and conditions of the Performance Rights**

- (a) The proposed grant and issue of Performance Rights will be subject to the terms of the Plan.
- (b) The Performance Rights will be issued for nil cash consideration.
- (c) On valid exercise of any vested Performance Rights the Participating Director (or their nominee) will be entitled to receive one Share for every Performance Right exercised.
- (d) If a Change of Control occurs (as defined on page 23), any vesting conditions in respect of the Performance Rights will be deemed to be automatically waived.

## **Related Party Transactions Generally**

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

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Participating Directors is a related party of the Company.

Under section 208 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; 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.

In relation to Resolution 6, the Board (excluding Mr Hyde) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights to Mr Hyde or his nominee(s) because the agreement to issue the Performance Rights is considered reasonable remuneration in the circumstances for the purposes of section 211 of the Corporations Act.

In relation to Resolution 7, the Board (excluding Mr Hopkins) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights to Mr Hopkins or his nominee(s) because the agreement to issue the Performance Rights is considered reasonable remuneration in the circumstances for the purposes of section 211 of the Corporations Act.

## **Directors' recommendation**

All the Directors were available to make a recommendation. For the reasons noted above:

Messrs Hopkins, Spicer, Findlay, Leonard and Ms Mounsey (who have no interest in the outcome of Resolution 6) recommend that Shareholders vote in favour of Resolution 6. Mr Hyde declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to him or his nominee(s). The Board (other than Mr Hyde) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 6.



Messrs Hyde, Spicer, Findlay, Leonard and Ms Mounsey (who have no interest in the outcome of Resolution 7) recommend that Shareholders vote in favour of Resolution 7. Mr Hopkins declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of this particular Resolution as it relates to the proposed grant of Performance Rights to him or his nominee(s). The Board (other than Mr Hopkins) is not aware of any other information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

### **Information Requirements – Listing Rules 10.14 and 10.15**

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an Associate of a director of the Company (Listing Rule 10.14.12); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its Shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its Shareholders.

The proposed grant of Performance Rights to the Participating Directors falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

If Resolution 6 is passed, the Company will grant 840,113 Performance Rights to Mr Hyde or his nominee(s). If Resolution 7 is passed, the Company will grant 553,460 Performance Rights to Mr Hopkins or his nominee(s).

If Resolutions 6 and 7 are not passed, the Company will not grant Performance Rights to the Participating Directors, and the Company will not be utilising the most cost-effective and efficient means for incentivising the Participating Directors, and other means, such as cash payments, would be considered. Those other means may not align the Participating Directors' interests with those of Shareholders to the same extent.

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

- (a) the Performance Rights will be granted Mr Richard Hyde and Mr Lyndon Hopkins, or their nominees, as noted above;
- (b) the Participating Directors fall within Listing Rule 10.14.1 by virtue of being Directors (or Listing Rule 10.14.2 if granted to a nominee by virtue of being an associate of a Director);
- (c) the maximum number of Performance Rights that will be issued is as follows:
  - (i) Resolution 6 – 840,113 Performance Rights; and
  - (ii) Resolution 7 – 553,460 Performance Rights;
- (d) the Participating Directors are Directors of the Company and the issue the subject of Resolutions 6 and 7 are intended to remunerate or incentivise the Participating Directors, whose current total remuneration package is as follows:

Participating Director	Richard Hyde	Lyndon Hopkins
Annual fixed remuneration	\$585,000	\$450,000
Vested LTI Options	994,933	607,128
Unvested LTI Performance Rights	406,698	251,196
Unvested STI Performance Rights	515,282	351,759
Unvested Retention Performance Rights	750,000	500,000
Unvested Share-price-growth Performance Rights	750,000	500,000

- (e) the number of securities previously issued to the Participating Directors under the Plan is set out in the above table in paragraph (d). All of the Incentive Options and Performance Rights in the table were issued for nil cash consideration;
- (f) the key terms and conditions of the Performance Rights to be issued to the Participating Directors are set out above and are otherwise subject to the terms of the Plan;
- (g) the type of security is being used is a Performance Right. This type of security is considered best suited to being granted as a reward and retention incentive as it does not require the Director to pay to exercise the Performance Right and is more easily cancelled than Shares where a vesting condition is not met;
- (h) the Company and its advisors have valued the Performance Rights using *the Black-Scholes and Hybrid Monte Carlo* methods. Based on the assumptions set out in **Annexure B**, it is considered that the estimated average value of the Performance Rights to be granted to the Participating Directors is A\$0.812 per Performance Right;
- (i) the Performance Rights will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (j) the Performance Rights will be granted for no cash consideration;
- (k) a summary of the material terms of the Plan is set out in **Annexure A**;
- (l) no loan is being made in relation to the Performance Rights;
- (m) details of any securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme 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; and
- (o) a voting exclusion statement applies to this Resolution as set out in the Notice.

## Voting

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on the Resolutions.

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual General Meeting** means the annual general meeting convened by the Notice.

**Annual Report** means the annual report of the Company for the year ended 31 December 2020.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 31 December 2020.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Business Day** means a day other than Saturday, Sunday or a public holiday in Perth, Western Australia.

**Chair** or **Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means West African Resources Limited ACN 121 539 375.

**Constitution** means the Company's constitution, as amended from time to time.

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

**Directors** means the directors of the Company.

**Eligible Participant** has the meaning given in the Plan.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Holding Lock** has the meaning given to that term in the Listing Rules.

**Incentive Option** means an option to acquire a Share issued under the Plan.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

**LTI** means long term incentive.

**Notice** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Participating Directors** has the meaning given to that term on page 10.

**Performance Right** means a performance right to acquire a Share issued pursuant to the Plan.

**Plan** means the Company's Incentive Options and Performance Rights Plan.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 31 December 2020.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning given to that term on page 6.

**Spill Resolution** has the meaning given to that term on page 6.

**STI** means short term incentive.

## ANNEXURE A

### SUMMARY OF THE MATERIAL TERMS OF THE PLAN

#### 1. Eligibility

The Board may, from time to time, in its absolute discretion, make a written invitation to any Eligible Participant<sup>7</sup> to apply for Incentive Options or Performance Rights (together, **Awards**), upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).

#### 2. Offer and Application Form

An invitation to apply for the issue of Awards under the Plan must be made by way of an offer document (**Offer Document**). At a minimum, the Offer Document must include the following information:

- (a) the type of Award that the Eligible Participant may apply for;
- (b) the maximum number of Awards that the Eligible Participant may apply for, or the formula for determining the number of Awards that may be applied for;
- (c) the maximum number of Shares that the Participant is entitled to be issued or transferred on the exercise of each Award or the formula for determining the maximum number of Shares;
- (d) the Option exercise price (**Exercise Price**) of any Options or the formula for determining the Option Exercise Price;
- (e) any applicable vesting conditions as determined by the Board in its discretion;
- (f) any restriction period the Board has resolved to apply to Shares issued on exercise of the Awards;
- (g) when Awards will expire (**Expiry Date**);
- (h) the date by which an Offer Document must be accepted (**Closing Date**);
- (i) any other terms and conditions applicable to the Awards; and
- (j) any other information required by law or the Corporations Act, ASIC Class Order 14/1000 (**Class Order**) or the Listing Rules or the considered by the Board to be relevant to the Awards or the Shares to be issued on the exercise of the Awards.

The Offer is personal and is not assignable.

An Eligible Participant (or permitted nominee) may apply for Awards in whole or in part, by signing and returning an application form to the Company no later than the Closing Date. The Board may accept or reject any application form in its absolute discretion. The Company will not be bound to issue any Awards to an Eligible Participant (or nominee) unless and until the Board determines to accept an application form.

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<sup>7</sup> **Eligible Participant** means:

- (a) a Director (whether executive or non-executive) of the Company or an associated body corporate (**Group Company**);
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company (but, if the Class Order is being relied on, only to the extent permitted by the Class Order); or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (a), (b) or (c) above, who is declared by the Board to be eligible to receive grants of Awards under the Plan.

Where an Eligible Participant has been issued an Award under the Plan, they are considered to be a **Participant** for the purposes of the Plan.

Where the Company needs to rely on the Class Order in respect of an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or under an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

### **3. Terms of the Awards**

- (a) An Award is non-transferable other than in special circumstances with the consent of the Board (which may be withheld in its discretion) or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) An Eligible Participant must not enter into any arrangement for the purpose of hedging or otherwise affecting their economic exposure to their Awards.
- (c) Unless quoted on the ASX, each Option will be issued under the Plan for no more than nominal cash consideration. Each Performance Right will be issued for nil cash consideration.
- (d) Each Award will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Award) unless the Plan or an applicable Offer otherwise provides.
- (e) The Board may determine the Option Exercise Price (if any) for an Option offered under the Offer in its discretion.
- (f) Awards will not be listed for quotation on the ASX, unless the Offer provides otherwise. The Company will apply for official quotation of the Shares issued upon the exercise of any vested Awards within 10 Business Days of the date the Shares are issued and the date any Restriction Period (as defined below) applicable ends.
- (g) A Participant is not entitled to participate in or receive any dividend or other Shareholder benefits (including the notice of, or to vote or attend at, a meeting of the Shareholders) until its Awards have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Awards.
- (h) There are no participating rights or entitlements inherent in the Awards and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of Awards without exercising the Options or Performance Rights, except to the extent an Offer otherwise provides where permitted by the Listing Rules.
- (i) Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Awards except to the extent an Offer provides otherwise.
- (j) There is no right to a change in the exercise price or in number of underlying Shares over which an Award can be exercised, except to the extent an Offer otherwise provides where permitted by the Listing Rules.
- (k) In the event of a reorganisation of the capital of the Company, the Company may alter the rights of the holder of an Award to the extent necessary to comply with the Listing Rules applying to reorganisations at the time of the reorganisation.
- (l) Following the issue of Shares following exercise of vested Awards, Participants will be entitled to dividends and to exercise voting rights attached to the Shares, subject to any disposal restrictions advised to the Participant.

- (m) All Shares issued under the Plan will rank equally with the Shares of the same class for the time being on issue except any rights attaching to such Shares by reference to a record date prior to the date of their issue.

#### 4. Vesting and Exercise of Awards

- (a) **Vesting Conditions:** Subject to clause 4(b) below, an Award issued under the Plan will not vest and be exercisable unless the vesting conditions (if any) attaching to that Award have been satisfied and the Board has notified the Participant of that fact within 10 Business Days of becoming aware that any vesting condition has been satisfied.
- (b) **Vesting Condition Waiver:** Notwithstanding clause 4(a) above, the Board may, in its absolute discretion, by written notice to an Participant, resolve to waive any of the vesting conditions applying to an Award in whole or in part at any time. For clarity, the Board may in its discretion waive or reduce any vesting conditions after the time specified for satisfaction of those vesting conditions has passed.
- (c) **Exercise on Vesting:** A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer, exercise any vested Award at any time after the Board notifies that the Award right has vested and before it lapses by providing the Company with the certificate for the Awards, notice addressed to the Company and signed by the Participant stating it is exercising the Awards and specify the number of Awards exercised, and payment of an amount equal to the Option Exercise Price (if applicable) multiplied by the number of Options exercised except to the extent the Board approves the use of Cashless Exercise Facility or the Cash Payment as described below.
- (d) **Cashless Exercise Facility:** In respect of Options, the Board may, in its discretion, permit a Participant to exercise some or all of their Options by using the Cashless Exercise Facility. The Cashless Exercise Facility entitles a Participant to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.

If a Participant elects to use the Cashless Exercise Facility, and its use is approved by the Board, the Participant will be issued or transferred that number of Shares (rounded up to the nearest whole number) equal to:

- (A) the aggregate total **Market Value**<sup>8</sup> (as determined on the date the Options the subject of the Cashless Exercise Facility are exercised) of Shares that would otherwise be issued on exercise of the Options had all such Options been exercised for a cash Option Exercise Price;
- (B) less the aggregate total Option Exercise Price otherwise payable in respect of the vested Options exercised; and
- (C) divided by the Market Value of a Share as determined on the date the Options the subject of the Cashless Exercise Facility are exercised.

If the Option Exercise Price otherwise payable in respect of the Options being exercised is the same or higher than the Market Value of Shares at the time of exercise, then a Participant will not be entitled to use the Cashless Exercise Facility.

- (e) **Cash Payment:** Subject to the Corporations Act, the Listing Rules, the Plan and the terms of any Offer, where an Offer so provides, when all Vesting Conditions in respect of an Award have been satisfied or waived, the Board may, in its discretion, within 10 Business Days of receipt of a valid notice of exercise for vested Award, in lieu of issuing or transferring a Share to the Participant on exercise of the Award, pay the Participant or his or her personal representative (as the case may

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<sup>8</sup> The **Market Value** of a Share means the volume weighted average price for a Share traded on ASX during the 7 day period up to and including the day the Market Value is determined.

be) a cash payment for the Award exercised equal to the Market Value of a Share up to and including the date the Award was exercised, less, in respect of an Option, any Option Exercise Price. A vested Award automatically lapses upon payment of a Cash Payment in respect of the vested Award.

- (f) **Blackout Periods and insider trading:** If the issue or transfer of Shares on the exercise of an Award would otherwise fall within a blackout period (as provided for in the Company's policies for trading in securities), or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Shares until 10 Business Days following the expiration of the blackout period or the day on which the insider trading or takeover provisions (as applicable) no longer prevent the issue or transfer of the Shares.

## 5. Lapsing of Awards

An Award will lapse upon the earlier of:

- (a) the Board, in its discretion, resolving an Award lapses as a result of an unauthorised disposal of, or hedging of, the Award;
- (b) a vesting condition not being satisfied or becoming incapable of satisfaction as determined by the Board acting reasonably (and not being waived by the Board in its discretion);
- (c) in respect of an unvested Award, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to waive any vesting conditions or allow it to remain unvested subject to any vesting conditions;
- (d) in respect of a vested Award, a holder ceases to be an Eligible Participant (or in the case of a nominee ceases to be an Eligible Participant) and the Board, in its discretion, resolves that the Award must be exercised within one (1) month (or such later date as the Board determines) of the date cessation as an Eligible Participant, and the Award is not exercised within that period and the Board resolves, at its discretion, that the Award lapses as a result or that the Award issued be cancelled in consideration for a cash payment to the holder and a cash payment is made in respect of the vested Award;
- (e) the Board deems that an Award lapses due to fraud, dishonesty, gross negligence, serious and wilful misconduct or acts which cause a material adverse effect to the Company's reputation by a holder / Eligible Participant;
- (f) an Eligible Participant's office or employment is terminated due to serious or wilful misconduct or for cause without notice;
- (g) a holder deals with an Award or a Restricted Share (defined below) contrary to the terms of the Plan;
- (h) in respect of an unvested Award, a winding up resolution or order is made, and the Award does not vest in accordance with rules of the Plan; and
- (i) the Expiry Date of the Award.

## 6. Restrictions on Shares

- (a) The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued or transferred to a Participant on exercise of the Award (**Restricted Shares**), up to a maximum of 15 years from the acquisition date of the Award (**Restriction Period**).
- (b) The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period (other than where imposed by the Listing Rules).

- (c) An Eligible Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.
- (d) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (e) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the Listing Rules.
- (f) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the Listing Rules, the Company lodging the share certificates for the Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period or released from restrictions (at which time the Company will arrange for the share certificates to be provided to the Eligible Participant) and the application of a Holding Lock over Shares until the expiry of any Restriction Period (at which time the Company will arrange for the Holding Lock to be removed).
- (g) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

## 7. Change of Control

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control<sup>9</sup> and both the Company, the Acquiring Company and the Eligible Participant agree, an Eligible Participant may, in respect of any vested Awards that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Awards.

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<sup>9</sup> **Change of Control** means:

- (a) a bona fide Takeover Bid (as defined in the Corporations Act) is declared unconditional and the bidder has acquired a relevant interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement (other than a compromise or arrangement with the Company's creditors) for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.



**ANNEXURE B  
VALUATION OF PERFORMANCE RIGHTS**

The values of the performance rights to be granted pursuant to the Resolutions have been estimated using the Black-Scholes and Hybrid Monte Carlo methods. The assumptions used and resulting estimated option values are set out below.

**1. Participating Directors' Performance Rights under Resolutions 6 and 7**

<b>Assumptions</b>	<b>Performance Rights in Lieu of 2020 STI Cash Incentive</b>	<b>2021 STI Performance Rights</b>	<b>2021 Production LTI Performance Rights</b>	<b>2021 Shareholder Return LTI Performance Rights</b>	<b>2021 Reserve Replacement LTI Performance Rights</b>
Valuation method	Black-Scholes	Black-Scholes	Black-Scholes	Hybrid Monte Carlo	Black-Scholes
Valuation date	06-Apr-21	06-Apr-21	06-Apr-21	06-Apr-21	06-Apr-21
Closing market price of the Shares on the valuation date	\$0.865	\$0.865	\$0.865	\$0.865	\$0.865
Time to expiry	1,096 days	1,096 days	1,826 days	1,461 days	1,461 days
Implied service condition	365 days	730 days	1,096 days	1,096 days	1,096 days
Non-market condition	Change of Control <sup>(1)</sup>	Change of Control <sup>(1)</sup>	Change of Control <sup>(1)</sup>	Change of Control <sup>(1)</sup>	Change of Control <sup>(1)</sup>
Volatility <sup>(2)</sup>	62.85%	62.85%	66.70%	61.60%	61.60%
Risk free rate <sup>(3)</sup>	0.105%	0.105%	0.655%	0.506%	0.506%
Barrier prices <sup>(4)</sup>	\$0.00	\$0.00	\$0.00	\$1.010, \$1.169 and \$1.344	\$0.00
Value per Performance Right	\$0.865	\$0.865	\$0.865	\$0.500	\$0.865
Weighted average value of the Performance Rights to be granted to the Participating Directors <sup>(5)</sup>	\$0.812				

Notes to above tables:

- (1) *Change of Control is defined on page 23.*
- (2) *Volatility represents the historical market price volatility of the Shares over the period from 6 April 2018 to 6 April 2021 for Performance Rights with 1,096 days to expiry and 6 April 2016 to 6 April 2021 for Performance Rights with 1,826 days to expiry and 3 April 2018 to 31 March 2021 for Performance Rights with 1,461 days to expiry.*
- (3) *Risk free rate represents the 2-year and 5-year bond rates on 6 April 2021 (for the Performance Rights with 1,096 and 1,826 days to expiry) and 4-year bond rate on 31 March 2021 (for the Performance Rights with 1,461 days to expiry), per the Reserve Bank of Australia.*
- (4) *Barrier prices for the 2021 Shareholder Return LTI Performance Rights correspond to the minimum 7-day VWAP levels of the Shares for 0%, 33% and 100% proportional vesting, accordingly. The valuation model used linear interpolation to calculate the percentage that vest when the VWAP falls between these levels.*
- (5) *Weighted average value is calculated by weighting the values of each type of Performance Right in the above table based on the number of each type of Performance Right to be granted to the Participating Directors.*