ABN: 30 614 289 342

Registered and Business Office
Suite 2, 45 Ord Street
West Perth WA 6005 Australia
Tel: +61 8 6244 5136
Email: ardea@ardearesources.com.au

27 September 2022

Dear Shareholder

**Annual General Meeting – Notice of Meeting and Proxies**

Notice is given that the Annual General Meeting (**Meeting**) of Shareholders of Ardea Resources Limited (ACN 614 289 342) (**Company**) will be held as follows:

**Time and date:** 11.00am (Perth time) on Friday, 28 October 2022
**Location:** **The Quest, 54 Kings Park Road, West Perth, Western Australia**

**Notice of Meeting**

In accordance with the *Corporations Act 2001* (Cth) the Company will not be dispatching physical copies of the Notice of Meeting unless individual shareholders have made a valid election to receive documents in hard copy. Instead, the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically and can be viewed and downloaded from:

- the Company's website at https://ardearesources.com.au/announcements; and
- the ASX market announcements page under the Company's code "ARL".

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting.

**Voting at the Meeting or by proxy**

**Shareholders are encouraged to vote by lodging a proxy form which is attached.**

Proxy forms can be lodged:

- **Online:** https://investor.automic.com.au/#/loginsah
- **By mail:** Automic, GPO Box 5193, Sydney NSW 2001 or
- **In-person:** Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- **By email:** meetings@automicgroup.com.au
- **By fax:** +61 2 8583 3040
- **By mobile:** Scan the QR Code on your Proxy Form and follow the prompts

Your proxy voting instruction must be received by 11.00am (Perth time) on Wednesday, 26 October 2022 being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Meeting Materials should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Authorised for release by the Board of Ardea Resources Limited

**Sam Middlemas**
**Company Secretary**
**Ardea Resources Limited**

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Ardea Resources Limited

**ACN 614 289 342**

# Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at the Quest, 54 Kings Park Road, West Perth, Western Australia on Friday, 28 October 2022 at 11.00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6244 5136.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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**Ardea Resources Limited**
**ACN 614 289 342**
**(Company)**

# Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Ardea Resources Limited (**Company**) will be held at the Quest, 54 Kings Park Road, West Perth, Western Australia on Friday 28 October 2022 at 11.00am (WST) (**Meeting**).

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

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 as Shareholders on Wednesday, 26 October 2022 at 11.00am (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## Agenda

### 1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** There is no requirement for Shareholders to approve the Annual Report.

### 2 Resolutions

### Resolution 1 – Remuneration Report

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

*'That, the Remuneration Report be adopted by Shareholders, on the terms and conditions in the Explanatory Memorandum.'*

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

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## Resolution 2 – Re-election of Director – Ian Buchhorn

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

*'That in accordance with Article 7.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Ian Buchhorn retires and, being eligible and offering himself for re-election,, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 3 – Approval of 10% Placement Facility

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

*'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 4 - Approval to issue Director Performance Rights to Directors

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

*'That, pursuant to and in accordance Listing Rule 10.14, section 195(4) and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their respective nominees) under the Plan as follows:*

(a) *up to 375,000 Performance Rights to Mathew Longworth (or his nominee/s);*

(b) *up to 1,500,000 Performance Rights to Andrew Penkethman (or his nominee/s); and*

(c) *up to 750,000 Performance Rights to Ian Buchhorn (or his nominee/s),*

*on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 5 – Modification of existing Constitution

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

*'That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, the constitution of the Company be modified by making the amendments contained in the document tabled at this Meeting and signed by the Chair for the purposes of identification, with effect from the date this resolution is passed.'*

## Resolution 6 – Approval of Employee Securities Incentive Plan

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

*'That, for the purposes of Exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the employee incentive scheme of the Company known as the "Ardea Resources Limited Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 7 – Approval of potential termination benefits under the Plan

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

*'That, conditional on Resolution 6 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued or to be issued under the "Ardea Resources Limited Employee Securities Incentive Plan", approval be given for all purposes including Part 2D.2 of the Corporations Act for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 8 – Re-insertion of Proportional Takeover Bid Approval Provisions

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

*"That the modification of the Company's Constitution to re-insert the proportional takeover bid approval provisions contained in Schedule 5 of the Constitution for a period of three years from the date of approval of this Resolution is approved under and for the purposes of sections 648G(4) and 136(2) of the Corporations Act and for all other purposes."*

## Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

(a) Resolution 3, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, by or on behalf of any persons who are 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 Shareholder), or any associate of those persons;

(b) Resolution 4(a) by or on behalf of Mr Mathew Longworth (or his nominee/s), 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 any of their respective associates;

(c) Resolution 4(b) by or on behalf of Mr Andrew Penkethman (or his nominee/s), 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 any of their respective associates;

(d) Resolution 4(c) by or on behalf of Mr Ian Buchhorn (or his nominee/s), 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 any of their respective associates; and

(e) Resolution 6 by or on behalf of a person who is eligible to participate in the employee incentive scheme, or any of their respective associates.



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The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

(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.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

## Voting prohibitions

**Resolution 1**: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

(a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**Resolution 4(a) to (c) (inclusive)**: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on the Resolution if:

(a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and

(b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on the Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and

(b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

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

**Resolution 6 and Resolution 7**: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and

(b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 7**: Further, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution must not be cast by any participants or potential participants in the Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement.

However, a vote may be cast by such a person if:

(a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and

(b) it is not cast on behalf of the person or an associate of the person.



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**BY ORDER OF THE BOARD**

Andrew Penkethman
Managing Director
Dated: 14 September 2022

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**Ardea Resources Limited**
**ACN 093 396 859**
**(Company)**

# Explanatory Memorandum

## 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Quest, 54 Kings Park Road, West Perth, Western Australia on Friday 28 October 2022 at 11.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

| | |
|---|---|
| Section 2 | Action to be taken by Shareholders |
| Section 3 | Annual Report |
| Section 4 | Resolution 1 – Remuneration Report |
| Section 5 | Resolution 2 – Re-election of Director – Ian Buchhorn |
| Section 6 | Resolution 3 - Approval of 10% Placement Facility |
| Section 7 | Resolutions 4(a), (b) and (c) - Approval to issue Director Performance Rights to Directors |
| Section 8 | Resolution 5 – Modification of existing Constitution |
| Section 9 | Resolution 6 – Approval of Employee Securities Incentive Plan |
| Section 10 | Resolution 7 – Approval of potential termination benefits under the Plan |
| Section 11 | Resolution 8 – Re-insertion of Proportional Takeover Bid Approval Provisions |
| Schedule 1 | Definitions |
| Schedule 2 | Summary of Ardea Resources Limited Employee Securities Incentive Plan |
| Schedule 3 | Terms and Conditions of Director Performance Rights |
| Schedule 4 | Valuation of Director Performance Rights |
| Schedule 5 | Schedule 5 of the Constitution (Proportional Takeover Bid Approval) |

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

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

### 2.2 Proxies

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting. Your Proxy Form must be received by 11.00am (WST) on Wednesday, 26 October 2022, being not later than 48 hours before the commencement of the Meeting.

Proxy Forms can be lodged:

| | |
|---|---|
| Email: | meetings@automicgroup.com.au |
| By mail: | Share Registry – Automic Group Pty Ltd, GPO Box 5193, Sydney NSW 2001 |
| By fax: | +61 2 8583 3040 |
| By phone: | 1 300 288 664 (Within Australia)<br>+61 2 9698 5414 (Overseas) |

### 2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 4(a) to (c) (inclusive), Resolution 6 and Resolution 7 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

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### 2.4 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at admin@ardearesources.com.au by 18 October 2022.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2022.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

(a) discuss the Annual Report which is available online at www.ardearesources.com.au;

(b) ask questions about, or comment on, the management of the Company; and

(c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

(a) the preparation and content of the Auditor's Report;

(b) the conduct of the audit;

(c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company’s Annual Report to Shareholders unless specifically requested to do so.

## 4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the

remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2021 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2023 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

## 5. Resolution 2 – Re-election of Director – Ian Buchhorn

### 5.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Article 7.2(b) of the Constitution requires the longest serving Director to retire and stand for re-election. If 2 or more Directors have been a Director the longest and an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

Director Ian Buchhorn was last elected at the annual general meeting held on 27 November 2020. Accordingly, having been a Director for the longest without re-election, Mr Buchhorn retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2. Ian Buchhorn has been a Director of the Company since 17 August 2016.

### 5.2 Ian Buchhorn

Mr Buchhorn is a Mineral Economist and Geologist with over 45 years' experience. He was the founding managing director of Heron Resources Limited (Heron) for a period of 11 years until early 2007. Mr Buchhorn resigned as a director and employee of Heron in June 2017.

Mr Buchhorn previously worked with a number of international mining companies and has worked on nickel, bauxite and industrial mineral mining and exploration, gold and base metal



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project generation and corporate evaluations. For the last 30 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australian and has operated as a Registered Mine Manager.

He is currently a non-executive director of ASX listed Godolphin Resources Limited (from 19 June 2019 to present). Mr Buchhorn does not currently hold any other material directorships, other than as disclosed in this Notice.

The Company confirms that it took appropriate checks into Mr Buchhorn's background and experience and that these checks did not identify any information of concern.

If elected, Mr Buchhorn is not considered by the Board (with Mr Buchhorn abstaining) to be an independent director because he is employed by the Company in an executive capacity.

### 5.3 Additional information

Resolution 2 is an ordinary resolution.

The Board (with Mr Buchhorn abstaining) considers that Mr Buchhorns' technical knowledge of the key Company development projects, being the Kalgoorlie Nickel Project (**KNP**) nickel-cobalt projects, are and will continue to be invaluable, along with his corporate experience in feasibility studies, joint ventures and strategic partner strategies.

Accordingly, the Board (other than Mr Buchhorn who has a personal interest in the outcome of this Resolution) recommends that Shareholders vote in favour of Resolution 2.

## 6. Resolution 3 - Approval of 10% Placement Facility

### 6.1 General

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 securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, 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%.

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of $300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval (**10% Placement Facility**).

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.



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## 6.2 Listing Rule 7.1A

(a) **Is the Company an eligible entity?**

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

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately $156 million, based on the closing price of Shares ($0.92) on 13 September 2022.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue at the commencement of the Relevant Period:

(A) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

(B) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

(1) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or

(2) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

(C) plus the number of fully paid Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:

(1) the agreement was entered into before the commencement of the Relevant Period; or

(2) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

(D) plus the number of partly paid Shares that became fully paid Shares in the Relevant Period;

(E) plus the number of fully paid Shares issued in the Relevant Period with approval under Listing Rules 7.1 and 7.4; and

(F) less the number of fully paid Shares cancelled in the Relevant Period.

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

**D** is 10%.

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

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

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

(i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

(ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(**Minimum Issue Price**).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

(i) the date that is 12 months after the date of the Meeting;

(ii) the time and date of the Company's next annual general meeting; or

(iii) the time and the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),



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(**10% Placement Period**).

(g) **What is the effect of Resolution 3?**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

## 6.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

If this Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in



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accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

(i) two examples where Variable A has increased, by 50% and 100%; and

(ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

| **Share on issue (Variable A in Listing Rule 7.1A.2)** | **Dilution** | | | |
|---|---|---|---|---|
| | **Issue price per Share** | **$0.46**<br>**50% decrease in Current Market Price** | **$0.92**<br>**Current Market Price** | **$1.84**<br>**100% increase in Current Market Price** |
| **169,737,772**<br>**Shares Variable A** | 10% Voting Dilution | 16,973,777 Shares | 16,973,777 Shares | 16,973,777 Shares |
| | Funds raised | $7,807,938 | $15,612,875 | $31,231,750 |
| **254,606,658 Shares**<br>**50% increase in Variable A** | 10% Voting Dilution | 25,460,666 Shares | 25,460,666 Shares | 25,460,666 Shares |
| | Funds raised | $11,711,906 | $23,423,813 | $46,847,625 |
| **339,475,544 Shares**<br>**100% increase in Variable A** | 10% Voting Dilution | 33,947,554 Shares | 33,947,554 Shares | 33,947,554 Shares |
| | Funds raised | $15,615,875 | $31,231,750 | $62,463,500 |

Notes:

1. The table has been prepared on the following assumptions:

   (a) the issue price is the current market price ($0.92), being the closing price of the Shares on ASX on 13 September 2022, being the last day that the Company's Shares traded on the ASX before this Notice was signed;

   (b) Variable A is 169,737,772, comprising 169,737,772 existing Shares on issue as at the date of this Notice, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4;

   (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;

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(d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and

(e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

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

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

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

(i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

(ii) the effect of the issue of the Equity Securities on the control of the Company;

(iii) financial situation and solvency of the Company; and

(iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 November 2021.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued or agreed to issue Equity Securities under Listing Rule 7.1A, as follows:

| Date of issue | Recipient | Type of security | Number of securities | Price | Use of funds |
|---|---|---|---|---|---|
| 1 March 2022 | The Shares were issued to professional and sophisticated investors who were identified through a bookbuild process, which involved the Company seeking expressions of interest to participate in the placement from non-related parties of the Company via its lead manager and bookrunner, Petra Capital Pty Limited | Shares | 13,883,021, representing 10.06% of the total number of Shares on issue at the commencement of that 12-month period | $0.70 each, representing a 1.45% premium to closing price on the date of issue (being $0.69 on 1 March 2022) | **Cash raised:** $9,718,114<br><br>**Cash spent:** approx. $4m<br><br>**Use of funds:** Funds raised for nickel sulphide drilling, regional exploration, feasibility study programs and working capital<br><br>**Intended use of remaining funds:** Same as above |

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

In the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

### 6.4 Additional information

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 3.

## 7. Resolutions 4(a), (b) and (c) - Approval to issue Director Performance Rights to Directors

### 7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a total of 1,750,000 Class M and 875,000 Class N Performance Rights (together, the **Director Performance Rights**) to the Directors or their respective nominees, as follows:



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| Director | Director Performance Rights | |
|---|---|---|
| | Class M | Class N |
| Mathew Longworth | 250,000 | 125,000 |
| Andrew Penkethman | 1,000,000 | 500,000 |
| Ian Buchhorn | 500,000 | 250,000 |
| **TOTAL** | **1,750,000** | **875,000** |

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Company's projects and in the creation of Shareholder value. The Board believes that the issue of these Director Performance Rights will align the interests of each Director with those of the Company and its Shareholders. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Performance Rights are to be issued under the Plan (as defined in Section 9.1 below), which is the subject of Resolution 6, on a date after 1 October 2022. A summary of the material terms of the Plan is in Schedule 2. Subject to the terms and conditions in Schedule 3, the Director Performance Rights will vest as follows:

| Directors | Class | Number of Director Performance Rights | Vesting Condition |
|---|---|---|---|
| Mathew Longworth | Class M | 250,000 | The Company announcing prior to 31 December 2024, the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project. |
| | Class N | 125,000 | The Company announcing a JORC Compliant Nickel Sulphide Resource of >1Mt at 2% Ni Equivalent prior to 31 December 2024. |
| Andrew Penkethman | Class M | 1,000,000 | The Company announcing prior to 31 December 2024, the signing of a Strategic |

| | | | |
|---|---|---|---|
| | | | Partner to fund the KNP feasibility study and provide future funding for completion of the project. |
| | Class N | 500,000 | The Company announcing a JORC Compliant Nickel Sulphide Resource of >1Mt at 2% Ni Equivalent prior to 31 December 2024. |
| Ian Buchhorn | Class M | 500,000 | The Company announcing prior to 31 December 2024, the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project. |
| | Class N | 250,000 | The Company announcing a JORC Compliant Nickel Sulphide Resource of >1Mt at 2% Ni equivalent prior to 31 December 2024. |

Resolution 4(a) to (c) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14, and sections 195(4) and 208 of the Corporations Act for the issue of up to a total of 1,750,000 Class M and 875,000 Class N Performance Rights under the Plan to the Directors, or their respective nominees.

## 7.2 Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme, unless Shareholder approval is provided:

(a) a director of the company (Listing Rule 10.14.1);

(b) an associate of a director the company (Listing Rule 10.14.2); or

(c) 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).

The proposed issue of the Director Performance Rights falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Performance Rights to be issued to his nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.



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If Resolution 4(a) to (c) (inclusive) are passed, the Company will be able to proceed with the issue of the Director Performance Rights to the Directors (or their respective nominees).

If Resolution 4(a) to (c) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Director Performance Rights to the Directors (or their respective nominees) and the Company will proceed with other forms of performance-based remuneration, which may include incentives in the form of cash bonuses.

## 7.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Performance Rights:

(a) The Director Performance Rights will be issued under the Plan to:

(i) Mathew Longworth pursuant to Resolution 4(a);

(ii) Andrew Penkethman pursuant to Resolution 4(b); and

(iii) Ian Buchhorn pursuant to Resolution 4(c),

(or their respective nominees).

(b) Each of the Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Director Performance Rights are issued to a nominee of a Director, that person will fall into the category stipulated by Listing Rule 10.14.2.

(c) The maximum number of Director Performance Rights to be issued to the Directors (or their respective nominees) is 2,625,000 in the proportions set out in Section 7.1 above.

(d) The current total remuneration package for each of the Directors at the date of this Notice is set out below:

| Director | Salary and fees (including superannuation) |
|---|---|
| Mathew Longworth | $107,076 |
| Andrew Penkethman | $413,822 |
| Ian Buchhorn | $376,909 |

In addition to the above Mr Penkethman can earn up to $100,000 in short term incentives (2021/22 - $130,000) and Mr Buchhorn can receive up to $50,000 in short term incentives (2021/22 - $40,000). The Board also approved a long term cash incentive bonus to Mr Penkethman of $400,000 to be paid upon the signing of a Strategic Partner to fund the KNP Feasibility Study and provide future funding for completion of the project, and a further $200,000 cash bonus to be paid following announcement of a JORC compliant Nickel Sulphide Resource of >1Mt at 2% Ni Equivalent.

(e) No Equity Securities have previously been issued under the Plan to the Directors.

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(f) The Company has issued the following Securities to the Directors under its Existing Plan (as defined in Section 9.4(c) below):

| Director | Date of issue | Type of Equity Security | Number of Equity Securities | Average acquisition price |
|---|---|---|---|---|
| Mathew Longworth | 3 December 2020 | Performance Rights | 200,000 Class H Performance Rights | $Nil |
| | | | 200,000 Class I Performance Rights | $Nil |
| | 29 November 2021 | Performance Rights | 300,000 Class K Performance Rights | $Nil |
| Andrew Penkethman | 3 December 2020 | Performance Rights | 250,000 Class H Performance Rights | $Nil |
| | | | 250,000 Class I Performance Rights | $Nil |
| | 29 November 2021 | Performance Rights | 400,000 Class K Performance Rights | $Nil |
| Ian Buchhorn | 3 December 2020 | Performance Rights | 200,000 Class H Performance Rights | $Nil |
| | | | 200,000 Class I Performance Rights | $Nil |
| | 29 November 2021 | Performance Rights | 300,000 Class K Performance Rights | $Nil |

(g) The Director Performance Rights will be issued on the terms and conditions in Schedule 3.

(h) The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because the Performance Rights granted will generally only be of benefit if the Directors perform to the level whereby the milestones to the Performance Rights are satisfied. The issue of the Director Performance Rights will therefore further align the interests of the Directors with Shareholders. Additionally, the issue of Director Performance Rights instead of cash is a prudent means of rewarding and incentivising the Directors whilst conserving the Company's available cash reserves.

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(i) A valuation of the Director Performance Rights is in Schedule 4, with a summary for each of the Directors below:

| Director | Director Performance Rights | |
|---|---|---|
| | Class M | Class N |
| Mathew Longworth | $215,000 | $107,500 |
| Andrew Penkethman | $860,000 | $430,000 |
| Ian Buchhorn | $430,000 | $215,000 |

(j) The Director Performance Rights are intended to be issued to the Directors (or their respective nominees) as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than three years after the date of the Meeting if the required approval is received.

(k) The Director Performance Rights will have an issue price of nil as they will be issued as part of each Director's remuneration package.

(l) A summary of the material terms of the Plan is in Schedule 2.

(m) No loan will be provided to the Directors in relation to the issue of the Director Performance Rights.

(n) Details of any Securities issued under the Plan will be published in the annual report of the Company 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. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 4(a) to (c) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

(o) A voting exclusion statement is included in the Notice.

### 7.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

(a) obtain Shareholder approval in the manner set out in section 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 proposed issue of the Director Performance Rights constitutes giving a financial benefit to the Directors, who are related parties of the Company by virtue of being Directors.

Given the personal interests of all the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Performance Rights. Notwithstanding that the issue of the Director

Performance Rights is considered by the Board as reasonable remuneration and therefore falls within the exception stipulated by section 211 of the Corporations Act, the Board considers that there may be potential conflicts of interest should Shareholder approval not be sought. Accordingly, the Directors have sought Shareholder approval under section 195(4) to allow the Directors to pass a matter in which all Directors have a material personal interest.

## 7.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Director Performance Rights:

(a) **Identity of the related parties to whom Resolution 4(a) to (c) (inclusive) permit financial benefits to be given**

The Director Performance Rights will be issued to Messrs Mathew Longworth, Andrew Penkethman and Ian Buchhorn or their respective nominees.

(b) **Nature of the financial benefit**

Resolution 4(a) to (c) (inclusive) seeks approval from Shareholders to allow the Company to issue the Director Performance Rights in the amounts specified in Section 7.1 above to the Directors or their respective nominees. The Director Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Director Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

A valuation of the Director Performance Rights is in Schedule 4, with a summary for each Director in Section 7.3(i) above.

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out in Section 7.3(d) above.

(e) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

| Director | Shares | Convertible Securities |
|---|---|---|
| Mathew Longworth | 21,428 | 200,000 Class H Performance Rights<br>200,000 Class I Performance Rights<br>300,000 Class K Performance Rights |
| Andrew Penkethman | 552,401 | 400,000 Class E Performance Rights<br>250,000 Class H Performance Rights |



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| Director | Shares | Convertible Securities |
|---|---|---|
| | | 250,000 Class I Performance Rights<br>400,000 Class K Performance Rights |
| Ian Buchhorn | 12,980,585 | 200,000 Class G Performance Rights<br>200,000 Class H Performance Rights<br>200,000 Class I Performance Rights<br>300,000 Class K Performance Rights |

Assuming that each of the resolutions which form part of Resolution 4 are approved by Shareholders, all of the Director Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised (including any existing Performance Rights held by the Directors as at the date of this Notice), the respective interests of the Directors in the Company would be as follows:

(i) Mr Longworth's interest would represent approximately 0.23% of the Company's issued Share capital;

(ii) Mr Penkethman's interest would represent approximately 1.19% of the Company's issued Share capital; and

(iii) Mr Buchhorn's interest would represent approximately 7.97% of the Company's issued Share capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: $2.05 per Share on 20 April 2022

Lowest: $0.43 per Share on 8 October 2021

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was $0.92 per Share on 13 September 2022.

(g) **Dilution**

The issue of the Director Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Performance Rights vest and are exercised. The potential dilution effect is summarised below:

| Director Performance Rights | Dilutionary effect |
|---|---|
| 2,625,000 | 1.53% |

The above table assumes the current Share capital structure as at the date of this Notice being 169,737,772 Shares on 13 September 2022 and that no Shares are issued other than the Shares issued on exercise of the Director Performance Rights. The exercise of all of the Director Performance Rights will result in a total dilution of all



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other Shareholders' holdings of 1.45% (assuming that all other Options and Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Messrs Andrew Penkethman and Ian Buchhorn are Executive Directors of the Company and therefore the Board believes that the grant of the Director Performance Rights is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Board acknowledges the grant of the Director Performance Rights to the Non-Executive Chairman, Mr Mathew Longworth is contrary to Recommendation 8.2 of the Recommendations. However, the Board considers the grant of Director Performance Rights to the Non-Executive Chairman is reasonable in the circumstances for the reasons set out in Section 7.1. The Board also considers that the grant does not affect the independence of the Non-Executive Chairman.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Director Performance Rights (including fringe benefits tax).

(j) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4(a) to (c) (inclusive).

### 7.6 Additional information

Resolution 4(a) to (c) (inclusive) are ordinary resolutions.

The Board declines to make a recommendation to Shareholders in relation to Resolution 4(a) to (c) (inclusive) due to their personal interests in the outcome of the Resolutions.

## 8. Resolution 5 – Modification of existing Constitution

### 8.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 seeks the approval of Shareholders to modify the Company’s existing Constitution.

The proposed modifications to the existing Constitution will incorporate recent amendments to the Corporations Act regarding the holding of meetings of Shareholders using virtual meeting technology.

The Directors believe that it is preferable in the circumstances to simply modify one provision of the existing Constitution rather than repealing the entire existing Constitution and replacing it with a new constitution.



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The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

A copy of the modified Constitution is available for review by Shareholders at the Company's website 'ardearesources.com.au/' and at the office of the Company. A copy of the modified Constitution can also be sent to Shareholders upon request to the Company Secretary at admin@ardearesources.com.au. Shareholders are invited to contact the Company if they have any queries or concerns.

If Resolution 5 is passed, the Company will adopt the modified Constitution with effect from the date this Resolution 5 is passed.

## 8.2 Summary of material proposed changes

### (a) Convening a general meeting (Article 5.2)

The modifications provide for the ability of the Company to hold general meetings using virtual technology only, as well as physical or hybrid meetings. This improved flexibility is necessary to ensure the Company is able to hold general meetings at times where physical meetings may not be practicable (such as during pandemics).

Set out below are the proposed modifications to article 5.2 of the existing Constitution:

<u>Prior to modification</u>

*5.2 Convening a general meeting*

*(a) The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*

*(b) The Company may hold a meeting of Members at 2 or more venues using any technology that gives the Members as a whole a reasonable opportunity to participate.*

*(c) Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.*

*(d) In computing the period of notice under article 5.2(c), the day of the meeting is to be disregarded.*

*(e) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

<u>After modification</u>

*5.2 Convening a general meeting*

*(a) The Directors may convene and arrange to hold a general meeting of the Company whenever they think fit and must do so if required to do so under the Corporations Act.*

*(b) The Company may hold a meeting of Members at a time determined by the Directors:*



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*(i) at one or more physical venues;*

*(ii) at one or more physical venues and using virtual meeting technology; and*

*(iii) using virtual meeting technology only,*

*provided that, in each case, Members as a whole are given a reasonable opportunity to participate in the meeting, and otherwise in the manner determined by the Directors.*

*(c) If the Directors elects to use virtual meeting technology for a general meeting of the Company, the Directors will determine the type of virtual meeting technology to be used, which may include any combination of telephone, video conferencing, messaging, smartphone application or any other audio and/or visual device which permits instantaneous communication.*

*(d) Notice of a general meeting must be given in accordance with article 14, the Corporations Act and the Listing Rules.*

*(e) In computing the period of notice under article 5.2(d), the day of the meeting is to be disregarded.*

*(f) A Director is entitled to receive notice of and to attend all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company and is entitled to speak at those meetings.*

### 8.3 Additional information

Resolution 5 is a **special** resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 5.

## 9. Resolution 6 – Approval of Employee Securities Incentive Plan

### 9.1 General

On 1 October 2022, amendments to the Corporations Act will commence, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A will be introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014.

To ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that come into effect on 1 October 2022.

Resolution 6 seeks Shareholder approval for the adoption of the new ESS titled the 'Ardea Resources Limited Employee Securities Incentive Plan' (**Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.



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Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of the key terms and conditions is in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 **Key changes between the Class Order and New Regime**

The following table summarises the key changes that will be implemented by the New Regime for "Invitations" (within the meaning given in the Plan) made on or after 1 October 2022:

| | **Current position under the Class Order** | **Position from 1 October 2022** |
|---|---|---|
| Disclosure obligations | The Class Order mandates certain information that must be provided to ESS participants.<br><br>There is no difference between the disclosure requirements where ESS Interests are offered for monetary consideration or for no monetary consideration. | **If the offer of ESS Interests is for no monetary consideration:** There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.<br><br>**If the offer of ESS Interests is for monetary consideration:**<br><br>• Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the current disclosure requirements under the Class Order.<br><br>• The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.<br><br>• Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements. |
| Eligible participants | • Directors;<br><br>• Full-time and part-time employees;<br><br>• Casual employees and contractors, provided they work | • Directors;<br><br>• Full-time and part-time employees;<br><br>• Any service providers to the entity (with no minimum |

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| | | |
|---|---|---|
| | the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity. | requirement of hours of service provided);<br><br>• Certain 'related persons' to the above. |
| 5% limit | The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital. | **If the offer of ESS Interests is for no monetary consideration:** There is no limit on the number of such ESS Interests that may be issued.<br><br>**If the offer of ESS Interests is for monetary consideration:** The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution. |
| Quotation requirement | An entity's shares must have been quoted for three months before the Class Order relief is available. | Newly listed entities can offer ESS Interests under the new regime without any minimum quotation period. This will make it much simpler for newly listed entities to offer ESS Interests. |
| Suspension | For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months. | The new regime permits an entity to offer ESS Interests regardless of any suspension to the trading of its shares. |
| On-sale relief | Relief is provided from the on-sale provisions for securities issued under the Class Order. | There is no equivalent relief under the new provisions. |
| ASIC involvement | A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief. | There are no ASIC lodgement requirements.<br><br>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.<br><br>ASIC has also been given express enforcement powers including the ability to issue 'stop orders'. |

| | | |
|---|---|---|
| Criminal offences | N/A | New ESS related criminal offences have been introduced regarding certain misleading or deceptive statements or omissions. |

9.3 **Listing Rules 7.1 and 7.2, exception 13(b)**

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12-month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the Plan from those set out in this Notice in Schedule 2.

If Resolution 6 is passed, the Company will be able to issue up to a maximum of 17,827,977 Equity Securities under the Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity 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 will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 6 is not passed, the Company will not be able to adopt the Plan and, instead, any issues will be made either with Shareholder approval under Listing Rules 7.1 and 7.1A or, in default of Shareholder approval, pursuant to the Company's placement capacity under either or both Listing Rules 7.1 and 7.1A.

9.4 **Specific information required by Listing Rule 7.2, exception 13(b)**

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the Plan:

(a) A summary of the material terms of the Plan is in Schedule 2.

(b) As at the date of this Notice, no Equity Securities have been issued under the Plan. Subject to Shareholder approval of Resolution 4(a) to (c) inclusive, the Company will issue a total of 2,625,000 Director Performance Rights under the Plan and on the terms as set out in Schedule 3.

(c) Shareholders approved the Company's existing employee securities incentive plan under Listing Rule 7.2, exception 13(b) at the annual general meeting on 27 November 2020 (**Existing Plan**). Since that date, the Company has issued the following Equity Securities under the Existing Plan:



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| Issue date | Equity Security | Number of Equity Securities |
|---|---|---|
| 13 July 2022 | Performance Rights | 120,000 |
| 29 November 2021 | Performance Rights | 1,100,000 |
| 28 July 2021 | Performance Rights | 431,000 |
| 3 December 2020 | Performance Rights | 2,610,000 |

(d) The maximum number of Equity Securities proposed to be issued under the Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 6 is 17,827,977 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). This number comprises approximately 10% of the Company's Equity Securities currently on issue.

(e) A voting exclusion statement is included in the Notice.

### 9.5 Additional information

Resolution 6 is an ordinary resolution.

The Board recommends Shareholders vote in favour of Resolution 6.

## 10. Resolution 7 – Approval of potential termination benefits under the Plan

### 10.1 General

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provides certain limitations on the payment of 'termination benefits' to officers of listed entities.

As is common with employee incentive schemes, the Plan provides the Board with the discretion to, amongst other things, determine that some or all of the Equity Securities granted to a participant under the Plan (**Plan Securities**) will not lapse in the event of that participant ceasing their engagement with the Company before such Plan Securities have vested. This 'accelerated vesting' of Plan Securities may constitute a 'termination benefit' prohibited under the Corporations Act' regardless of the value of such benefit, unless Shareholder approval is obtained.

If Resolution 7 is not passed, the Company will not be able to offer 'termination benefits' to persons who hold a 'managerial or executive office' pursuant to the terms of the Plan.

### 10.2 Part 2D.2 of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the



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Corporations Act) if an exemption applies or if the benefit is approved by Shareholders in accordance with section 200E of the Corporations Act.

Subject to Shareholder approval of Resolution 6, Shareholder approval is sought for the purposes of Part 2D.2 of the Corporations Act to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

As noted above, under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of the Plan Securities. Notwithstanding the foregoing, without the consent of the participant in the Plan, no amendment may be made to the terms of any granted Plan Security which reduces the rights of the participant in respect of that Plan Security, other than an amendment introduced primarily to comply with legislation, to correct any manifest error or mistake or to take into consideration possible adverse tax implications.

As a result of the above discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not lapse in the event of the participant ceasing employment or office before the vesting of their Plan Securities.

The exercise of this discretion by the Board may constitute a 'benefit' for the purposes of section 200B of the Corporations Act. The Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

(a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and

(b) Plan Securities at the time of their leaving.

### 10.3 Valuation of the termination benefits

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of Plan Securities that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

(a) the participant's length of service and the status of the vesting conditions attaching to the relevant Plan Securities at the time the participant's employment or office ceases; and

(b) the number of unvested Plan Securities that the participant holds at the time they cease employment or office.

In accordance with Listing Rule 10.19, the Company will ensure that no officer of the Company or any of its child entities will, or may be, entitled to termination benefits if the value of those benefits and the terminations benefits that are or may be payable to all officers together



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exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

### 10.4 Additional information

Resolution 7 is conditional on the passing of Resolution 6.

If Resolution 6 is not approved at the Meeting, Resolution 7 will not be put to the Meeting. Resolution 7 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 7 due to their potential personal interests in the outcome of the Resolution.

## 11. Resolution 8 – Re-insertion of Proportional Takeover Bid Approval Provisions

### 11.1 General

The Company's Constitution contains proportional takeover bid approval provisions (**Proportional Takeover Provisions**) which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by Shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed. The Proportional Takeover Provisions will expire on 27 November 2022 and will cease to apply on that date.

Resolution 8 seeks the approval of Shareholders to modify the Constitution by re-inserting the Proportional Takeover Provisions for a further three years under sections 648G(4) and 136(2) of the Corporations Act. The proposed Proportional Takeover Provisions set out in Schedule 5 are identical to those previously contained at Schedule 5 of the Constitution.

The Corporations Act requires the Company to provide Shareholders with an explanation of the Proportional Takeover Provisions as set out below.

### 11.2 Information required by section 648G of the Corporations Act

(a) **Effect of Proportional Takeover Provisions to be renewed**

A proportional off-market takeover bid (**PT Bid**) is a takeover offer sent to all Shareholders but only for a specified portion of each Shareholder's Securities.

Where offers have been made under a PT Bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a PT Bid is prohibited unless and until a resolution to approve the PT Bid is passed.

(b) **Reasons for renewing Proportional Takeover Provisions**

If re-inserted, under Schedule 5 of the Constitution if a PT Bid is made to Shareholders of the Company, the board of the Company is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offer under the PT Bid closes.

The resolution is taken to have been passed if a majority of Securities voted at the



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meeting, excluding the Securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the PT Bid, the resolution is deemed to have been passed. Where the resolution approving the PT Bid is passed or deemed to have been passed, transfers of Securities resulting from accepting the PT Bid are registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASX Operating Rules and the Company's Constitution. If the resolution is rejected, then under the Corporations Act the PT Bid is deemed to be withdrawn.

The Directors consider that Shareholders should have the opportunity to re-insert the Proportional Takeover Provisions. Without the Proportional Takeover Provisions applying, a PT Bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Securities whilst leaving themselves as part of a minority interest in the Company.

Without the Proportional Takeover Provisions, if there was a PT Bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the PT Bid even if they did not want control of the Company to pass to the bidder. Re-inserting the Proportional Takeover Provisions will make this situation less likely by permitting Shareholders to decide whether a PT Bid should be permitted to proceed.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) **Advantages and disadvantages of the Proportional Takeover Provisions since last renewed**

As there have been no takeover bids made for any of the shares in the Company since the Proportional Takeover Provisions were adopted, there has been no application of the provisions. It may be argued that the potential advantages and disadvantages described below have also applied for the period since adoption of Proportional Takeover Provisions.

(e) **Potential advantages and disadvantages of Proportional Takeover Provisions**

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of Shareholders about a PT Bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that re-insertion of the Proportional Takeover Provisions has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a PT Bid should be accepted.

The Directors consider that re-inserting the Proportional Takeover Provisions benefits all Shareholders in that they will have an opportunity to consider a PT Bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders are able to prevent a PT Bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the PT Bid. Furthermore, knowing the view of



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Shareholders assists each individual Shareholder to assess the likely outcome of the PT Bid and whether to accept or reject that bid.

As to the possible disadvantages to Shareholders re-inserting the Proportional Takeover Provisions, potentially, the proposal makes a PT Bid more difficult and PT Bids will therefore be discouraged. This may reduce the opportunities which Shareholders may have to sell all or some of their Securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's Share price. The Proportional Takeover Provisions may also be considered an additional restriction on the ability of individual Shareholders to deal freely on their Securities.

The Directors consider that there are no other advantages or disadvantages for Directors or Shareholders which arose during the period during which the Proportional Takeover Provisions were in effect, other than those discussed in this Section.

(f) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of re-inserting the Proportional Takeover Provisions and as a result consider that the Proportional Takeover Provisions in the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

### 11.3 Additional information

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

The Board recommends that Shareholders vote in favour of Resolution 8.

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# Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

| | |
|---|---|
| **$ or A$** | means Australian Dollars. |
| **10% Placement Facility** | has the meaning given in Section 6.1. |
| **10% Placement Period** | has the meaning given in Section 6.2(f). |
| **Annual Report** | means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2022. |
| **Article** | means an article of the Constitution. |
| **ASX** | means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited. |
| **Auditor's Report** | means the auditor's report on the Financial Report. |
| **Board** | means the board of Directors. |
| **Chair** | means the person appointed to chair the Meeting of the Company convened by the Notice. |
| **Class Order** | means ASIC Class Order 14/1000: Employee incentive schemes: Listed bodies. |
| **Closely Related Party** | means:<br>(a) a spouse or child of the member; or<br>(b) has the meaning given in section 9 of the Corporations Act. |
| **Company** | means Ardea Resources Limited ACN 614 289 342. |
| **Constitution** | means the constitution of the Company as at the date of the Meeting. |
| **Corporations Act** | means the *Corporations Act 2001* (Cth). |
| **Director** | means a director of the Company. |
| **Director Performance Rights** | means up to 2,625,000 performance rights to be issued to the Directors on the terms and conditions in Schedule 3, which are the subject of Resolution 4(a) to (c) (inclusive). |
| **Directors' Report** | means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities. |
| **Equity Security** | has the same meaning as in the Listing Rules. |

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|---|---|
| **Equivalent** | means a equivalent metal reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. |
| **ESS** | means employee share scheme. |
| **Existing Plan** | has the meaning given in Section 9.4(c). |
| **Explanatory Memorandum** | means the explanatory memorandum which forms part of the Notice. |
| **Financial Report** | means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities. |
| **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. |
| **KNP** | means the Company's Kalgoorlie Nickel Project. |
| **Listing Rules** | means the listing rules of ASX. |
| **Meeting** | has the meaning given in the introductory paragraph of the Notice. |
| **Minimum Issue Price** | has the meaning given in Section 6.2(e). |
| **New Regime** | means the separate regime under Division 1A of Part 7.12 of the Corporations Act for the making of offers in connection with an ESS. |
| **Notice** | means this notice of annual general meeting. |
| **Option** | means an option to acquire a Share. |
| **Plan** | means the 'Ardea Resources Limited Employee Securities Incentive Plan', a summary of which is in Schedule 2. |
| **Proxy Form** | means the proxy form attached to the Notice. |
| **PT Bid** | means proportional off-market takeover bid. |
| **Relevant Period** | has the same meaning as in the Listing Rules. |
| **Remuneration Report** | means the remuneration report of the Company contained in the Directors' Report. |
| **Resolution** | means a resolution referred to in the Notice. |
| **Schedule** | means a schedule to the Notice. |

| | |
|---|---|
| **Section** | means a section of the Explanatory Memorandum. |
| **Securities** | means any Equity Securities of the Company (including Shares, Options and/or Performance Rights). |
| **Share** | means a fully paid ordinary share in the capital of the Company. |
| **Shareholder** | means the holder of a Share. |
| **Strike** | means a 'no' vote of 25% or more on the resolution approving the Remuneration Report. |
| **Trading Day** | has the meaning given in the Listing Rules. |
| **VWAP** | means volume weighted average market price. |
| **WST** | means Western Standard Time, being the time in Perth, Western Australia. |

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# Schedule 2 Summary of Ardea Resources Limited Employee Securities Incentive Plan

A summary of the material terms and conditions of the Plan is set out below:

(a) (**Eligible Participant**): Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an "ESS participant" (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:

(i) an employee or director of the Company or an individual who provides services to the Company;

(ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;

(iii) a prospective person to whom paragraphs (i) or (ii) apply;

(iv) a person prescribed by the relevant regulations for such purposes; or

(v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).

(b) (**Maximum allocation**) The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:

(i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus

(ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

(c) (**Purpose**): The purpose of the Plan is to:

(i) assist in the reward, retention and motivation of Eligible Participants;

(ii) link the reward of Eligible Participants to Shareholder value creation; and

(iii) 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 Securities.

(d) (**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, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.

(e) (**Eligibility, invitation and application**): 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 Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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. 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.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

(f) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(g) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(h) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities 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.

(i) (**Exercise of Convertible Securities and cashless exercise**): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

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At the time of exercise of the Convertible Securities, and subject to Board approval, 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.

**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.

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.

(j) (**Delivery of Shares on exercise of Convertible Securities**): 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.

(k) (**Forfeiture of Convertible Securities**): Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

(i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and

(ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

(l) (**Change of control**): If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(m) (**Rights attaching to Plan Shares**): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. 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.

(n) (**Disposal restrictions on Securities**): If the invitation provides that any Plan Shares or Convertible Securities 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.

(o) (**Adjustment of Convertible Securities**): 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.

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 allotment 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.

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) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

(q) (**Amendment of Plan**): 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.

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.

(r) (**Plan duration**): 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 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.

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.

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# Schedule 3 Terms and Conditions of Director Performance Rights

A summary of the terms and conditions of the Director Performance Rights (**Performance Rights**) is below:

1. (**Entitlement**): Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

2. (**Vesting Conditions**): Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

| **Class** | Class M | Class N |
|---|---|---|
| **Number** | 1,750,000 | 875,000 |
| **Vesting Condition** | The Company announcing prior to 31 December 2024, the signing of a Strategic Partner to fund the KNP feasibility study and provide future funding for completion of the project | The Company announcing a JORC Compliant Nickel Sulphide Resource of >1Mt at 2% Ni Equivalent prior to 31 December 2024 |

3. (**Expiry Date**) Any Performance Rights that have not vested before 5.00pm (WST) on 31 December 2024 will automatically lapse (**Expiry Date**). A vested Performance Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. (**Conversion**): Once vested, each Performance Right will, at the election of the holder, convert into one Share. At any time prior to the Expiry Date, the holder will be entitled to give notice to the Company Secretary in writing that the relevant Performance Rights have vested and, provided that the holder remains employed by the Company at the time of giving such notice, the Company shall, unless otherwise directed by the holder, within 5 Business Days of receipt of such notice:

   (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 5, 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 Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

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5. (**Restrictions on Transfer of Shares**): If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations, the Company must on or within 20 Business Days after the allotment date of any shares issued on conversion of Performance Rights, lodge a 'cleansing prospectus' with ASIC pursuant to section 708A(11) of the Corporations Act.

6. (**Consideration**): The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.

7. (**Share ranking**): All Shares issued upon the conversion of the Performance Rights will upon issue rank pari passu in all respects with other Shares.

8. (**Quotation of Shares on ASX**): The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Shares, the Company will apply for quotation of all Shares issued upon conversion of the Performance Rights within the period required by ASX.

9. (**Transferability of the Performance Rights**): The Performance Rights are not transferable.

10. (**Dividend and Voting Rights**): A Performance Right does not confer upon the holder an entitlement to notice of, or to vote or attend at, a meeting of the Shareholders of the Company or receive dividends declared by the Company.

11. (**Return of capital rights**): The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction in capital or otherwise.

12. (**Rights on winding up**): The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.

13. (**Participation in new issues**): There are no participation rights or entitlements inherent in the Performance Rights and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

14. (**Reorganisation of capital**): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of the holder of the Performance Rights are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

15. (**Change in Control Event**): Notwithstanding any other provision of these terms and conditions, if a Change in Control Event (as defined in the Plan) occurs, the Performance Rights will be deemed to have vested and must be converted into Shares within 5 Business Days of the Change in Control Event occurring.

16. (**Plan terms**) The Performance Rights are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.

17. (**Amendments required by ASX**) The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.

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# Schedule 4 Valuation of Director Performance Rights

The Performance Rights to be issued to the Directors pursuant to Resolution 4(a) to (c) (inclusive) have been independently valued by Stantons International Securities Pty Ltd using the Black Scholes option pricing model that simulates the Company's share price at the expiry date.

The variables required to value the Performance Rights are as follows:

| Item | Performance Rights | |
|---|---|---|
| | Class M | Class N |
| Underlying Security Spot Price | $0.86 | $0.86 |
| Exercise Price | Nil | Nil |
| Assumed Grant Date | 2 September 2022 | 2 September 2022 |
| Expiration Date | 31 December 2024 | 31 December 2024 |
| Life of Rights (years) | 2 | 2 |
| Volatility | 75% | 75% |
| Risk free rate | 3.19% | 3.19% |

Using the above variables, Stantons International Securities Pty Ltd have calculated the value of the Performance Rights as follows:

| Director | Performance Rights Class M | | Performance Rights Class N | | TOTAL VALUE |
|---|---|---|---|---|---|
| | Number | Value | Number | Value | |
| Mathew Longworth | 250,000 | $215,000 | 125,000 | $107,500 | **$322,500** |
| Andrew Penkethman | 1,000,000 | $860,000 | 500,000 | $430,000 | **$1,290,000** |
| Ian Buchhorn | 500,000 | $430,000 | 250,000 | $215,000 | **$645,000** |
| **TOTAL** | **1,750,000** | **$1,505,000** | **875,000** | **$752,500** | **$2,257,500** |

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# Schedule 5 Schedule 5 of the Constitution (Proportional Takeover Bid Approval)

1. **Resolution required for proportional takeover provisions**

Despite articles 4.1, 4.2 and 4.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

(a) this Schedule 5 applies;

(b) the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an "approving resolution") to approve the bid is passed or taken to be passed in accordance with paragraph 4 or 5; and

(c) the Directors must ensure that an approving resolution is voted on in accordance with paragraphs 2 to 3 before the 14th day before the last day of the bid period.

2. **Procedure for resolution**

The Directors may determine whether the approving resolution is voted on:

(a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of paragraph 3, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or

(b) by means of a postal ballot conducted in accordance with the following procedure:

(i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;

(ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;

(iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;

(iv) each ballot paper must specify the name of the person entitled to vote;

(v) a postal ballot is only valid if the ballot paper is duly completed and:

(A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or

(B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;

(vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of

that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and

(vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

3. **Persons entitled to vote**

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time. Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

4. **Resolution passed or rejected**

If the resolution is voted on in accordance with paragraphs 1 to 3, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

5. **Resolution taken as passed**

If a resolution to approve the bid has not been voted on as at the end of the day before the 14th day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with paragraphs 2 to 4.

6. **Takeover articles cease to have effect**

Paragraphs 1 to 5 cease to have effect on the day 3 years after the later of their adoption or last renewal.

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Ardea Resources Limited

Ardea Resources Limited | ACN 614 289 342

# Proxy Voting Form

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

**Holder Number:**

Login Only

Your proxy voting instruction must be received by **11.00am (WST) on Wednesday, 26 October 2022,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

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

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

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

## SUBMIT YOUR PROXY VOTE BY PAPER

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

**YOUR NAME AND ADDRESS**

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

**STEP 1 – APPOINT A PROXY**

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

**DEFAULT TO THE CHAIR OF THE MEETING**

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

**STEP 2 - VOTES ON ITEMS OF BUSINESS**

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

**APPOINTMENT OF SECOND PROXY**

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

**SIGNING INSTRUCTIONS**

**Individual**: Where the holding is in one name, the Shareholder must sign.
**Joint holding**: Where the holding is in more than one name, all Shareholders should sign.
**Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.
**Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.
**Email Address**: Please provide your email address in the space provided.

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

**CORPORATE REPRESENTATIVES**

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

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## Contact

### Return your completed form

**BY MAIL**
Automic
GPO Box 5193
Sydney NSW 2001

**IN PERSON**
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

**BY EMAIL**
meetings@automicgroup.com.au

**BY FACSIMILE**
+61 2 8583 3040

### All enquiries to Automic

**WEBSITE**
https://automic.com.au/

**PHONE**
1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

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## STEP 1: Appoint Your Proxy

### Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Ardea Resources Limited, to be held at **11.00am (WST) on Friday, 28 October 2022 at the Quest, 54 Kings Park Road, West Perth, Western Australia** hereby:

**Appoint the Chairman of the Meeting (Chair)** OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/We have appointed the Chair as my/our proxy (or where the Chair becomes my/ours proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4a-4c, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4a-4c, 6 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under s 224 of the Corporations Act 2001 (Cth), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.**

**IMPORTANT NOTE:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against Resolutions 4a-4c by marking the appropriate box in Step 2."

## STEP 2: Your Voting Direction

| Resolutions | | For | Against | Abstain | Resolutions | | For | Against | Abstain |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Remuneration Report | | | | 4c. | Approval to issue Director Performance Rights to Directors - Ian Buchhorn | | | |
| 2. | Re-election of Director – Ian Buchhorn | | | | 5. | Modification of existing Constitution | | | |
| 3. | Approval of 10% Placement Facility | | | | 6. | Approval of Employee Securities Incentive Plan | | | |
| 4a. | Approval to issue Director Performance Rights to Directors – Mathew Longworth | | | | 7. | Approval of potential termination benefits under the Plan | | | |
| 4b. | Approval to issue Director Performance Rights to Directors - Andrew Penkethman | | | | 8. | Re-insertion of Proportional Takeover Bid Approval Provisions | | | |

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

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## STEP 3: Sign Here + Contact Details

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
|---|---|---|
| | | |
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

**By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).**