



# Notice of Annual General Meeting, Explanatory Statement, and Proxy Form

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## **Patronus Resources Limited**

ACN 150 597 541

### **Meeting Format**

To be held as a physical meeting at:

Level 1, 24 Outram Street  
West Perth, Western Australia

### **Time and Date**

1:00pm (WST)  
Friday, 29 November 2024

#### **IMPORTANT NOTE**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser prior to voting.

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## Important Dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	5:00pm (WST) on Wednesday, 27 November 2024
Snapshot date for eligibility to vote	1:00pm (WST) on Wednesday, 27 November 2024
Annual General Meeting	1:00pm (WST) on Friday, 29 November 2024

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# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Patronus Resources Limited (ACN 150 597 541) (**Company**) will be held at Level 1, 24 Outram Street, West Perth, Western Australia at 1:00pm (WST) on Friday, 29 November 2024.

## Agenda

### Ordinary Business

**Receive and Consider Reports** To receive and consider the annual financial report, Directors' report and Auditor's report of the Company for the financial year ended 30 June 2024, as contained in the Company's 2024 Annual Report.

**Resolution 1** To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*Adoption of Remuneration Report (advisory only)*

*That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2024, as contained in the Company's 2024 Annual Report, be adopted by the Company.*

**Note:** This Resolution is advisory only and does not bind the Company or the Directors.

**Resolution 2** To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*Re-election of Director by rotation – Nicholas Anderson*

*That, for the purposes of Listing Rule 14.5, clause 8.3(a) of the Constitution and for all other purposes, Nicholas Anderson, a Director who retires by rotation in accordance with clause 8.3(c)(ii) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.*

**Resolution 3** To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*Re-election of Director by rotation – Joseph Graziano*

*That, for the purposes of Listing Rule 14.5, clause 8.3(a) of the Constitution and for all other purposes, Joseph Graziano, a Director who retires by rotation in accordance with clause 8.3(c)(ii) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.*

**Resolution 4** To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*Election of Director – Graham Ascough*

*That, for the purposes of Listing Rule 14.5, clause 8.1(e) of the Constitution and for all other purposes, Graham Ascough, a Director who retires in accordance with clause 8.1(e) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.*

**Resolution 5** To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*Approval of non-executive director remuneration limit*

*That, for the purposes of Listing Rule 10.17, clause 8.4(a) of the Company's Constitution, and for all other purposes, the maximum aggregate remuneration that the Company may pay to non-executive Directors for their services as Directors in a financial year be set at \$650,000."*

**Resolution 6** To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*Re-approval of Performance Rights Plan*

*That, for the purpose of Listing Rule 7.2 Exception 13(b) and for all other purposes, Shareholders approve the Company's existing employee incentive scheme known as the "Performance Rights Plan", a summary of which is set out in the Schedule to the Explanatory Statement accompanying this Notice of Annual General Meeting, and the issue of up to 80,000,000 Performance Rights under the plan in reliance on Listing Rule 7.2 Exception 13, on the terms and conditions set out in the Explanatory Statement."*

# Voting Prohibitions and Exclusion Statements

Resolution	Excluded persons	Exception
<b>Corporations Act voting prohibitions</b>		
<b>Resolutions 1, 5 and 6</b>	<p>In accordance with sections 250BD and 250R(4) of the Corporations Act, a vote on the Resolution must not be cast, and the Company will disregard votes cast:</p> <ul style="list-style-type: none"> <li>by or on behalf of a member of Key Management Personnel the details of whose remuneration is included in the Remuneration Report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or</li> <li>by a proxy for a member of Key Management Personnel at the date of the Meeting or their Closely Related Parties.</li> </ul> <p>Any ineligible votes will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>The prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>the vote is cast in accordance with the directions on how the proxy is to vote, as specified in the proxy appointment; or</li> <li>the appointment expressly authorises the Meeting Chair to exercise the proxy even though the Resolution is in connection directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<b>Listing Rule voting exclusion statements</b>		
<b>Resolution 5</b>	<p>For the purposes of Listing Rules 10.17 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director, or an 'associate' (as defined in the Listing Rules) of a Director.</p>	<p>The Company need not disregard a vote cast in favour of the Resolution if it is cast by:</p> <ul style="list-style-type: none"> <li>a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or</li> <li>the Meeting Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Meeting Chair on the Resolution as the Meeting Chair decides; or</li> </ul>
<b>Resolution 6</b>	<p>For the purposes of Listing Rules 7.2 and 14.11, the Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the Performance Rights Plan, or an 'associate' (as defined in the Listing Rules) of such person.</p>	<ul style="list-style-type: none"> <li>a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: <ul style="list-style-type: none"> <li>the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an 'associate' (as defined in the Listing Rules) of a person excluded from voting, on the Resolution; and</li> </ul> <p>the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p> </li> </ul>

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# Explanatory Statement

For further information in relation to the items of business to be considered at the Meeting, please refer to the Explanatory Statement which accompanies this Notice. The Explanatory Statement forms part of this Notice.

# Definitions

Unless inconsistent with the context, capitalised terms used in this Notice will have the meanings given to them in the Glossary set out in the Explanatory Statement.

**By order of the Company's Board of Directors.**



**Stephen Jones**  
Company Secretary

30 October 2024

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## Meeting and Voting Information

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<b>Voting entitlement</b>	The Board has determined that, for the purposes of voting at the Meeting, Shares will be taken to be held by persons who are registered as the holders of Shares at <b>1:00pm, (WST) on Wednesday, 27 November 2024.</b>
<b>Participation</b>	The Meeting will be held in person at <b>Level 1, 24 Outram Street, West Perth, Western Australia, at 1:00pm (WST) on Friday, 29 November 2024.</b>
<b>Appointment of Corporate Shareholder representatives</b>	A Shareholder that is a corporation may appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. The Shareholder must lodge a satisfactory and duly executed appointment document with the Securities Registry in accordance with the instructions below.
<b>Appointment of attorneys</b>	A Shareholder may appoint an attorney to act on the Shareholder's behalf at the Meeting. To do so, the Shareholder must lodge a duly executed power of attorney with the Securities Registry in accordance with the instructions below.
<b>Appointment of proxies</b>	<p>A Shareholder entitled to attend and vote at the Meeting is entitled to appoint up to two proxies. A proxy does not need to be a Shareholder.</p> <p>To appoint a second proxy, a Shareholder must state on each Proxy Form (in the appropriate box) the percentage of voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half the Shareholder's votes. Fractions of votes will be disregarded.</p> <p><b><i>Appointing the Meeting Chair as proxy</i></b></p> <p>Shareholders may appoint the Meeting Chair as their proxy by marking the relevant box on the Proxy Form. Proxy Forms submitted without specifying the name of the proxy or expressly nominating the Meeting Chair as proxy will be deemed an appointment of the Meeting Chair. The Meeting Chair will be deemed proxy for a Shareholder if the proxy named in the Proxy Form does not attend the Meeting.</p> <p><b><i>Directing a proxy how to vote</i></b></p> <p>Shareholders may direct a proxy whether to vote for or against, or to abstain from voting, on a Resolution by marking the relevant box on the Proxy Form. Shareholders may also specify the proportion or number of votes that a proxy may exercise. All votes must be cast in accordance with such directions.</p> <p>Directed proxies that are not voted on a poll at the Meeting by an appointed proxy will default to the Meeting Chair who will be required to vote proxies as directed on a poll.</p> <p>Subject any legal restrictions on proxy voting, a proxy may vote on a Resolution at their discretion unless the Proxy Form directs the proxy how to vote on the Resolution.</p> <p><b><i>Voting restrictions that may affect proxy appointment</i></b></p> <p>Voting restrictions under the Corporations Act and/or the Listing Rules apply to certain Resolutions. Please refer to the 'Voting Prohibitions and Exclusion Statements' section above for further details in this regard.</p> <p>Shareholders intending to appoint the Meeting Chair, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as proxy are encouraged to direct them how to vote on all the Resolutions.</p> <p>A Shareholder who appoints a proxy but subsequently attends the Meeting may vote on the items of business at the Meeting. Any such vote by the Shareholder will invalidate the votes cast by their proxy.</p>

**Lodgement of appointment documents**

Duly completed corporate representative appointment documents, powers of attorney and Proxy Forms (together with any power of attorney or other authority under which they are executed, if applicable) must be received by the Securities Registry on or before **5:00pm (WST) on Wednesday, 27 November 2024**. Documents received after that time will be invalid.

Appointment documents are to be lodged as follows:

- by post:* GPO Box 5193, Sydney NSW 2001
- in person:* Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- online:* use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah>
- by mobile:* Scan the QR Code on your Proxy Form and follow the prompts
- by email:* [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)
- by fax:* +61 2 8583 3040

**Proxy voting intention of Meeting Chair**

The Meeting Chair intends to vote all undirected proxies **FOR** each of the Resolutions. In exceptional cases, the Meeting Chair may change their voting intention, in which case the Company will make an announcement to ASX in this regard.

**Voting procedure**

Voting on each Resolution at the Meeting will be conducted by way of a poll.

**Questions by Shareholders**

Please submit any questions to the Company by **5:00pm (WST) on Friday, 22 November 2024** in the same manner as outlined above for lodgement of appointment documents.

# Explanatory Statement

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

## 1. Annual Financial Report

The Corporations Act requires that the annual financial statements, Directors' report and Auditor's report of the Company for the year ended 30 June 2024 be tabled at the Meeting. These reports are contained in the 2024 Annual Report which is available on the Company's website, <https://www.patronusresources.com.au/>

Shareholders will be given reasonable opportunity to raise questions on these reports and ask questions of the Auditor.

## 2. Resolution 1: Adoption of Remuneration Report

### 2.1 Background

Resolution 1 is an ordinary resolution to approve the Remuneration Report. The Remuneration Report is set out in the Directors' report which forms part of the 2024 Annual Report.

The vote on Resolution 1 is advisory only and does not bind the Board or the Company. Notwithstanding this, the Board will take the outcome of the vote into consideration when considering remuneration policy of the Company going forward.

### 2.2 Corporations Act requirements

Section 250R(2) of the Corporations Act requires a listed public company put a resolution to its shareholders that the remuneration report set out in the Directors' report for the preceding financial year be adopted. The resolution is advisory only and does not bind the relevant company or its directors.

If 25% or more of votes that are cast on the resolution are voted against the adoption of the remuneration report at two consecutive annual general meetings of a company, its shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting be held within 90 days at which all of the offices of director are vacated (other than the office of managing director) and each such office will be put to a vote.

### 2.3 Directors' recommendation

The Directors decline to make a recommendation as to how Shareholders should vote in respect of Resolution 1 as they each have an interest in the outcome of the Resolution.

## 3. Resolution 2: Re-election of Director by rotation – Nicholas Anderson

### 3.1 Background

Resolution 2 is an ordinary resolution to approve the re-election of Nicholas Anderson as Director.

Nicholas Anderson will retire at the Meeting, and being eligible, will submit himself for re-election.

If Resolution 2 is not passed, Mr Anderson will not be re-elected to his current directorship position, in which case the Board will need to appoint a director to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next annual general meeting.

### 3.2 Listing Rule and Constitution requirements

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

Clause 8.3(a) of the Company's Constitution requires that an election of Director must be held at each annual general meeting of the Company. The Directors to retire must be:

- those who have been in office for three or more years or for three or more annual general meetings since they were last elected to office; or



- otherwise, those who have held their office the longest period of time since their last election or appointment to that office.

A Director who retires pursuant to clause 8.3 of the Constitution is eligible for re-election under clause 8.1(h)(i) of the Constitution.

As one of the Directors who has held office for the longest period since re-election, Mr Anderson is required to retire at or before the Meeting.

### 3.3 **Biography – Nicholas Anderson**

Mr Anderson is a finance executive with extensive experience in the resource sector. As a trained chemical engineer with combined knowledge of bulk commodities and strong financial acumen he has provided financial and corporate advisory services to several mining companies. He has a successful track record in capital raisings, restructures and executing highly complex transactions across private and public markets. Mr Anderson is currently Managing Director and Chief Executive Officer of Golden Horse Minerals Limited who are listed on the TSX Venture exchange. Mr Anderson is a graduate of the Australian Institute of Company Directors.

Further details about Mr Anderson are set out in the Company's 2024 Annual Report.

### 3.4 **Directors' recommendation**

The Directors (other than Mr Anderson) support the re-election of Mr Anderson and recommend that Shareholders vote in favour of Resolution 2. Mr Anderson declines to make a voting recommendation noting his interest in the Resolution.

## 4. **Resolution 3: Re-election of Director by rotation – Joseph Graziano**

### 4.1 **Background**

Resolution 3 is an ordinary resolution to approve the re-election of Joseph Graziano as Director.

Joseph Graziano will retire at the Meeting, and being eligible, will submit himself for re-election.

If Resolution 3 is not passed, Mr Graziano will not be re-elected to his current directorship position, in which case the Board will need to appoint a director to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next annual general meeting.

### 4.2 **Listing Rule and Constitution requirements**

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

Clause 8.3(a) of the Company's Constitution requires that an election of Director must be held at each annual general meeting of the Company. The Directors to retire must be:

- those who have been in office for three or more years or for three or more annual general meetings since they were last elected to office; or
- otherwise, those who have held their office the longest period of time since their last election or appointment to that office. A Director who retires pursuant to clause 8.3 of the Constitution is eligible for re-election under clause 8.1(h)(i) of the Constitution.

A Director who retires pursuant to clause 8.3 of the Constitution is eligible for re-election under clause 8.1(h)(i) of the Constitution.

As one of the Directors who has held office for the longest period since re-election, Mr Graziano is required to retire at or before the Meeting.

### 4.3 **Biography – Joseph Graziano**

Mr Graziano has over 30 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including mergers & acquisitions, capital raisings, corporate governance, ASX compliance and structuring. Mr Graziano is currently a director of Pathways Corporate Pty Ltd a specialised corporate advisory business and holds directorships in other Australian listed companies.

Further details about Mr Graziano are set out in the Company's 2024 Annual Report.

#### 4.4 Directors' recommendation

The Directors (other than Mr Graziano) support the re-election of Mr Graziano and recommend that Shareholders vote in favour of Resolution 3. Mr Graziano declines to make a voting recommendation noting his interest in the Resolution.

## 5. Resolution 4: Election of Director appointed to fill a casual vacancy – Graham Ascough

### 5.1 Background

Resolution 4 is an ordinary resolution to approve the re-election of Graham Ascough as Director.

Graham Ascough was appointed a non-executive Director of the Company on 11 September 2024 following the Company's merger with PNX Metals Limited (ACN 127 446 271) via scheme of arrangement.

Mr Ascough will retire at the Meeting, and being eligible, will submit himself for re-election.

If Resolution 4 is not passed, Mr Ascough will not be re-elected to his current directorship position, in which case the Board will need to appoint a director to fill a casual vacancy pursuant to the Constitution, with ratification at the Company's next annual general meeting.

### 5.2 Listing Rule and Constitution requirements

In accordance with Listing Rule 14.4 and clause 8.1(e) of the Company's Constitution, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office, without re-election, past the next annual general meeting of the Company.

A Director who retires pursuant to clause 8.1(e) of the Constitution is eligible for re-election under clause 8.1(h)(i) of the Constitution.

As the Meeting is the Company's first annual general meeting since Mr Ascough's appointment, in accordance with Listing Rule 14.4 and clause 8.1(e) of the Constitution, Mr Ascough retires and seeks re-election as a Director.

### 5.3 Biography – Graham Ascough

Mr Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. Mr Ascough, a geophysicist, has had broad industry involvement playing a leading role in setting the strategic direction for companies, completing financing and in implementing successful exploration programmes. He is a member of the Australasian Institute of Mining and Metallurgy and is a Professional Geoscientist of Ontario, Canada.

Further details about Mr Ascough are set out in the Company's 2024 Annual Report.

### 5.4 Directors' recommendation

The Directors (other than Mr Ascough) support the re-election of Mr Ascough and recommend that Shareholders vote in favour of Resolution 4. Mr Ascough declines to make a voting recommendation noting his interest in the Resolution.

## 6. Resolution 5: Approval of non-executive director remuneration limit

### 6.1 Background

The Board proposes a limit of \$650,000 be applied to the aggregate remuneration payable to non-executive Directors in a financial year, as permitted by the Constitution.

In determining this limit, the Remuneration and Nomination Committee undertook benchmarking of non-executive director remuneration with reference to companies of a similar size in Australia, as indicated by market capitalisation.

The Remuneration and Nomination Committee consider the proposed limit of \$650,000 is appropriate to allow sufficient capacity to appoint additional non-executive Directors, including overlapping tenures as part of the Board's orderly succession planning, and for future adjustments of non-executive Director fees due to the increased time commitment and workload. It will also allow remuneration of non-executive Directors which will assist the Company in attracting and retaining appropriately skilled non-executive Director candidates.

### 6.2 Resolution

Resolution 5 is an ordinary resolution for Shareholders to approve a limit of \$650,000 on the aggregate remuneration payable to non-executive Directors in a financial year, for the purposes of clause 8.4(a) of the Constitution and Listing Rule 10.17.

### 6.3 Constitutional provisions

Clause 8.4(a) of the Constitution provides that if the Company in general meeting has fixed a limit on the amount of remuneration payable to the non-executive Directors, the aggregate remuneration of those non-executive Directors must not in any financial year exceed that limit.

This does not apply to or limit any amount paid by the Company or a Related Body Corporate of the Company:

- to a superannuation, retirement or pension fund for a Director so that the Company is not liable to pay the superannuation guarantee charge or similar statutory charge;
- for any insurance premium paid or agreed to be paid for a Director under clause 14.4 of the Constitution; or
- to an executive Director of the Company as remuneration.

The aggregate remuneration limit for non-executive Directors is currently approved at \$300,000.

If Resolution 5 is approved, the aggregate remuneration of non-executive Directors in a financial year will be capped at \$650,000.

If Resolution 5 is not approved, the maximum aggregate remuneration that can be paid by the Company to the non-executive Directors in a financial year will remain at \$300,000.

### 6.4 Listing Rule requirements

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of shareholders.

Further, Listing Rules 10.17A and 10.17B provide that the total amount of directors' fees paid to the non-executive directors of an entity by the entity or any of its child entities (i.e. subsidiaries) must not exceed the total amount of such fees approved by shareholders under Listing Rule 10.17.

Resolution 5 seeks to apply a limit to the aggregate remuneration of non-executive Directors in a financial year for the purposes of Listing Rule 10.17.

### 6.5 Listing Rule information requirements

The following information is provided to Shareholders in relation to Resolution 5, for the purposes of Listing Rule 10.17:

(a) **Amount of non-executive directors' fee increase**

Resolution 5 proposes to increase the previous limit to the aggregate remuneration of non-executive Directors set by Shareholders (being \$300,000) by \$350,000.

(b) **Maximum aggregate number of directors' fees payable to non-executive Directors**

\$650,000 per financial year.

(c) **Details of securities issued to non-executive Directors in last 3 years**

At the date of this Notice, the Company has not issued any Equity Securities to its non-executive Directors under Listing Rules 10.11 or 10.14 with Shareholder approval in the last 3 years prior to this Notice.

(d) **Voting exclusion statement**

A voting exclusion statement in relation to Resolution 5 is included on page 4 of the Notice.

### 6.6 Directors' recommendation

The Board declines to make a recommendation in relation to Resolution 5, as the majority of Directors have a material personal interest in the outcome of the Resolution.

## 7. Resolution 6: Re-approval of Performance Rights Plan

### 7.1 Background

The Directors considered that it was desirable to establish an employee equity incentive plan pursuant to which employees may be offered the opportunity to be granted Performance Rights in the Company. Accordingly, the Directors adopted the Performance Rights Plan (**Plan**) on 15 September 2017.

The purpose of the Plan is to:

- (a) enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- (b) link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- (c) align the financial interest of employees with those of Shareholders; and
- (d) provide incentives to employees to strive to achieve performance markers that in turn creates Shareholder value.

## 7.2 Listing Rule requirements

Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. However, Equity Securities issued pursuant to an exception to Listing Rule 7.1 set out in Listing Rule 7.2 are not counted for the purposes of the limit.

Exception 13 of Listing Rule 7.2 provides that shareholders may approve the issue of Equity Securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of Equity Securities in the listed company made under an employee incentive scheme within three years of the date of the approval.

Relevantly, Exception 13 of Listing Rule 7.2 is only available to the Company if:

- (a) shareholders have approved the issue of Equity Securities under the employee incentive scheme within 3 years of the date of any issue under that scheme; and
- (b) the number of Equity Securities issued under an employee incentive scheme does not exceed the maximum number set out in an entity's notice of meeting.

The Plan was adopted by the Company on 15 September 2017, and was previously approved by Shareholders under Listing Rule 7.2 Exception 13 on 5 August 2021, being 3 years prior to the date of the Annual General Meeting.

## 7.3 Resolution

Resolution 6 is an ordinary resolution seeking Shareholder approval for the purposes of Exception 13 of Listing Rule 7.2 to approve the issue of additional Equity Securities under the Plan as an exception to Listing Rule 7.1.

## 7.4 Information required by Listing Rule 14.1(a)

If Resolution 6 is passed, the Company will be able to grant Performance Rights under the Plan without using up any of the Company's 15% Placement Capacity and without Shareholder approval under Listing Rule 7.1 for a period of 3 years after the date of the passing of Resolution 6.

If Resolution 6 is not passed, the Company may still grant Performance Rights under the Plan but any grant will reduce the Company's capacity to issue equity securities under Listing Rule 7.1 for 12 months following such grant. This may limit the Company's ability to utilise the Plan without additional shareholder approval.

## 7.5 Listing Rule information requirements

The following information is provided in relation to Resolution 6, as required by Listing Rule 7.2 Exception 13:

Information required	Details
Summary of the terms of the scheme	A summary of the terms of the Plan is set out in the Schedule to the Notice.
Number of securities issued under the scheme since the entity was listed or the date of the last approval	<p>Since the last approval of the Employee Incentive Plan at the Company's general meeting on 5 August 2021, the Company issued a total of 3,000,000 Performance Rights under the Plan to the former Managing Director, Andrew Munckton.</p> <p>Mr Munckton resigned as Managing Director of the Company on 31 July 2023. All prior Performance Rights were cancelled during the financial year ended 30 June 2024.</p>

Information required	Details
<b>Maximum number of securities proposed to be issued under the scheme following approval</b>	<p>The maximum number of Equity Securities which may be issued by the Company under the Plan over the 3 years from the date of the Meeting pursuant to Resolution 6 is 80,000,000, representing 5% of the undiluted Shares in the Company as at 17 October 2024. The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, simply a ceiling for the purposes of Listing Rule 7.2 Exception 13(b).</p> <p>This amount excludes any Equity Securities issued to Directors or other 'related parties' (as defined under the Listing Rules) with Shareholder approval under Listing Rule 10.14.</p>
<b>Voting exclusion statement</b>	A voting exclusion statement in respect of Resolution 6 is included in the Notice which precedes this Explanatory Statement.

#### 7.6 Directors' Recommendation

Each of the Directors have a material personal interest in the outcome of Resolution 6 and accordingly do not make a voting recommendation to Shareholders.

## Glossary of Terms

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In this Explanatory Statement, the following terms have the meaning set out below, unless the context otherwise requires:

<b>Annual General Meeting or Meeting</b>	The annual general meeting of the Company convened by the Notice, including or any adjournment of such meeting.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given to that term in sections 10 to 17 of the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
<b>Auditor</b>	The external auditor of the Company, HLB Mann Judd (WA Partnership) (ABN 22 193 232 714).
<b>Board</b>	The Company's Board of Directors.
<b>Closely Related Parties</b>	Has the same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).</li></ul>
<b>Company</b>	Patronus Resources Limited (ACN 150 597 541).
<b>Company Secretary</b>	The Company Secretary of the Company at the time of the Meeting.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Equity Security</b>	Has the meaning given to that term in Listing Rule 19.12, being: <ul style="list-style-type: none"><li>(a) a share;</li><li>(b) a unit;</li><li>(c) a right to a share or unit or option;</li><li>(d) an option over an issued or unissued security;</li><li>(e) a convertible security;</li><li>(f) any security that ASX decides to classify as an equity security;</li><li>(g) but not a security that ASX decides to classify as a debt security.</li></ul>
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice of Meeting.
<b>Glossary</b>	This glossary of terms.
<b>Key Management Personnel</b>	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>Meeting Chair</b>	The chairperson of the Meeting.
<b>Notice or Notice of Annual General Meeting</b>	The notice of the Annual General Meeting which accompanies this Explanatory Statement.
<b>Option</b>	An option to subscribe for a Share.

<b>Performance Right</b>	A contractual right to be issued or transferred a Share on satisfaction of a performance hurdle or other vesting condition,.
<b>Performance Rights Plan or Plan</b>	The Company's Performance Rights Plan, the material terms of which are outlined in the Schedule to the Notice.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Related Body Corporate</b>	Has the same meaning as given to that term in the Corporations Act.
<b>Remuneration Report</b>	The remuneration report of the Company for the period ended 30 June 2023, appearing in the Director's report as set out in the 2024 Annual Report.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Schedule</b>	A schedule to this Notice.
<b>Section</b>	A section of the Notice.
<b>Securities Registry</b>	The Company's securities registry, being Automic Group.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	A registered holder of a Share.
<b>WST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.

## Schedule 1 – Summary of Performance Rights Plan

Summary of the Performance Rights Plan (**Plan**) and terms on which offers under the Plan may be made:

- (a) The Directors of the Company from time to time, at their discretion, may at any time invite eligible employees to participate in the grant of Performance Rights.
- (b) The eligible employees under the Plan are full time and part time employees (including a Director) of the Company and its related bodies corporate or any other person who is declared by the Board to be eligible to receive a grant of Performance Rights under the Plan (Eligible Employees). Subject to the Board approval, an Eligible Employee may nominate a nominee to receive the Performance Rights to be granted to the Eligible Employee.

The Company will seek Shareholder approval for Director and Related Party participation in accordance with Listing Rule 10.14.

- (c) The Plan is administered by the Directors of the Company, who have the power to:
  - (i) determine appropriate procedures for administration of the Plan consistent with its terms;
  - (ii) resolve conclusively all questions of fact or interpretation in connection with the Plan;
  - (iii) delegate the exercise of any of its powers or discretions arising under the Plan to any one or more persons for such period and on such conditions as the Board may determine; and
  - (iv) suspend, amend or terminate the Plan (subject to restrictions on amendments to the Plan which reduce the rights of a participant of the Plan in respect of any Performance Rights or Shares already granted).
- (d) Performance Rights will be granted for nil cash consideration, unless the Board determines otherwise (which will be no more than a nominal amount).
- (e) No amount will be payable on the exercise of Performance Rights under the Plan.
- (f) The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.
- (g) The Company must have reasonable grounds to believe that the number of Shares to be issued on exercise of the Performance Rights when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous three years under:
  - (i) an employee incentive plan of the Company covered by ASIC Class Order 14/1000; or
  - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,does not exceed 5% of the total number of issued Shares at the time the invitation to acquire Performance Rights is made (but disregarding any securities issued as the result of an offer that can be disregarded in accordance with ASIC Class Order 14/1000).
- (h) The Shares to be issued on exercise of the Performance Rights will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.
- (i) The Performance Rights granted under the Plan will be subject to vesting conditions determined by the Board from time to time and expressed in a written offer made by the Company to the Eligible Employee which is subject to acceptance by the Eligible Employee within a specified period. The vesting conditions may include one or more of:
  - (i) service to the Company of a minimum period of time;
  - (ii) achievement of specific performance conditions by the participant in the Plan and/or by the Company; or
  - (iii) such other performance conditions as the Board may determine and set out in the offer. The Board determines whether vesting conditions have been met.
- (j) Performance Rights will have an expiry date as the Board may determine in its absolute discretion and specified in the offer to the Eligible Employee.
- (k) Performance Rights will be exercisable by the holder from the date the applicable vesting conditions are satisfied or waived by the Board up to and including the applicable expiry date.
- (l) The vesting conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the offer to the Eligible Employee. Performance Rights will not be listed for



quotation. However, the Company will make an application to ASX for official quotation of all Shares issued on exercise of the Performance Rights within the period required by the Listing Rules.

- (m) The Performance Rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- (n) If a vesting condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse. Unless the Board determines otherwise, an unvested Performance Right will lapse if the holder ceases to be an Eligible Employee for the purposes of the Plan by reason of resignation, termination for poor performance or termination for cause.
- (o) Unless the Board determines otherwise, if the holder of Performance Rights granted under the Plan ceases to be an employee for any other reason other than those reasons set out in paragraph (n), including but not limited to retirement, total and permanent disablement, death, redundancy or termination by agreement, then any Performance Rights which have not lapsed will continue to be held by the holder as if it was still an Eligible Employee, except that any continuous service condition will be deemed to have been waived.
- (p) If, in the opinion of the Board, a holder of Performance rights granted under the Plan acts fraudulently or dishonestly, is in breach of his or her obligations to the Company and its related bodies corporate, has done an act which has brought the Company or any of its related bodies corporate into disrepute, or if the Company becomes aware of a material misstatement or omission in the financial statements in relation to the Company or any of its related bodies corporate, or a holder is convicted of an offence in connection with the affairs of the Company or any of its related bodies corporate, or has judgment entered against him or her in any civil proceedings in respect of the contravention of his or her duties at law in his capacity as an employee, consultant or officer of the Company or any of its related bodies corporate, the Board will have the discretion to deem any Performance Rights lapsed.
- (q) If in the opinion of the Board, Performance Rights vested as a result of the fraud, dishonesty or breach of obligations of either the holder or any other person and in the opinion of the Board, the Performance Rights would not have otherwise vested, or the Company is required by, or entitled under, law to reclaim an overpaid bonus or other amount from a holder, then the Board may determine (subject to applicable law) any treatment in relation to the Performance Rights or Shares issued upon exercise of Performance Rights to comply with the law or to ensure no unfair benefit is obtained by the Participant.
- (r) Where there is a transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change of control of the Company (Change of Control Event), the Board may in its discretion determine that all or a specified number of the holder's Performance Rights vest and become exercisable or cease to be subject to restrictions (as applicable), although the Board may specify in an offer to a Participant that any additional or different treatment will apply if a Change of Control Event occurs.
- (s) Unless the Board determines otherwise, if a Change of Control Event occurs, any restrictions on dealing imposed on vested Performance Rights will cease to have effect.
- (t) There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (u) If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the number of Shares which must be allocated on the exercise of a Performance Right.
- (v) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be allocated on the exercise of a Performance Right will be increased by the number of Shares which the participant would have received if the Performance Right had vested before the record date for the bonus issue.
- (w) If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
- (x) Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to Performance Rights issued under the Plan.