



**STRANDLINE**  
resources limited

ABN 32 090 603 642

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**STRANDLINE RESOURCES LIMITED**  
**Notice of Annual General Meeting**  
**and**  
**Explanatory Memorandum**

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**Date of Meeting**

Tuesday, 10 November 2020

**Time of Meeting**

11.00am (AWST)

**Place of Meeting**

London House Conference Room  
Ground Floor, 216 St Georges Terrace  
Perth Western Australia 6000

This is an important document. Please read it carefully and in its entirety. If you do not understand it, please consult with your professional advisers.

If you are unable to attend the AGM, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in that form.

THE ANNUAL REPORT IS AVAILABLE ONLINE,  
VISIT: [www.strandline.com.au](http://www.strandline.com.au)

# Notice of Annual General Meeting

## STRANDLINE RESOURCES LIMITED

ABN 32 090 603 642

The Annual General Meeting (**AGM**) of Strandline Resources Limited (**Company**) will be held at the **London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia**, on **Tuesday, 10 November 2020 at 11.00am** (AWST).

Terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary.

The Explanatory Memorandum which accompanies, and forms part of this Notice describes the matters to be considered at the AGM.

### AGENDA

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#### Financial reports

To receive and consider the annual Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2020 which are contained within the Annual Report.

**Note:** This item of business is for discussion only and is not a Resolution.

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#### 1. Resolution 1 – Adoption of the Remuneration Report (non-binding resolution)

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

*'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the Company (which is contained in the Directors' Report in the Annual Report) for the financial year ended 30 June 2020 be adopted.'*

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

#### Voting Exclusion Statement

The Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the voter 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:
    - (i) does not specify the way the proxy is to vote on this Resolution; and
    - (ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.
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#### 2. Resolution 2 – Election of Mr Mark David Hancock as a Director

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

*'That, for the purpose of clause 56.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Mark David Hancock, a Director who was appointed since the last annual general meeting and who retires and is eligible for election as a Director, is so elected.'*

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#### 3. Resolution 3 – Re-election of Mr Ernest Thomas Eadie as a Director

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

*'That, for the purpose of clause 58.1 of the Constitution and for all other purposes, Mr Ernest Thomas Eadie, who retires by rotation and is eligible for re-election as a Director, is so re-elected.'*

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#### **4. Resolution 4 – Ratification of issue of February Placement Shares under Listing Rule 7.1**

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

*“That, for the purposes of Listing Rules 7.1 and 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 16,666,667 Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

##### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person (or those persons).

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

- (a) a person as 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; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### **5. Resolution 5 – Ratification of issue of August Placement Shares under Listing Rule 7.1**

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

*“That, for the purposes of Listing Rules 7.1 and 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 44,848,703 Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

##### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person (or those persons).

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

- (a) a person as 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; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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#### **6. Resolution 6 – Ratification of issue of August Placement Shares under Listing Rule 7.1A**

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

*“That, for the purposes of Listing Rules 7.1A and 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 41,010,247 Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person (or those persons).

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

- (a) a person as 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; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## **7. Resolution 7 – Approval of Long Term Incentive Plan**

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

*'That approval be given for the adoption by the Company of a Long Term Incentive Plan (LTI Plan), the terms and conditions of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting and, further, that approval be given for the purposes of Listing Rule 7.2 Exception 13(b) (and for all other purposes) for all issues of Performance Rights under the LTI Plan as an exception to Rule 7.1 of the Listing Rules for a period of 3 years from the date of this Meeting.'*

### **Voting Exclusion Statement**

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

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

However, this does not apply to a vote cast in favour of this 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; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## **8. Resolution 8 – Approval of issue of Shares to Mr Luke Edward Graham under the Short Term Incentive Plan**

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

*'That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the issue under the STI Plan to Mr Luke Edward Graham (or his nominee), subject to the satisfaction of certain annual financial and non-financial key performance indicators, of such number Shares as are calculated under the formula set out in the Explanatory Memorandum accompanying this Notice.*

### **Voting Exclusion Statement**

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

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

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy:
- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## **9. Resolution 9 – Approval of issue of Shares to Mr Peter Richard Watson under the Short Term Incentive Plan**

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

*'That, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the issue under the Plan to Mr Peter Richard Watson (or his nominee), subject to the satisfaction of certain annual financial and non-financial*

key performance indicators, of such number of Shares as are calculated under the formula set out in the Explanatory Memorandum accompanying this Notice.'

#### **Voting Exclusion Statement**

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

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

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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#### **10. Resolution 10 – Approval to grant Performance Rights to Mr Luke Edward Graham under the Long Term Incentive Plan**

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

*'That, for the purpose of Listing Rule 10.14 and for all other purposes, approval is given for the grant of 1,751,313 Performance Rights to Mr Luke Edward Graham (or his nominee), subject to satisfaction of relevant long term performance milestones, the details of which are set out in the Explanatory Memorandum accompanying this Notice.'*

#### **Voting Exclusion Statement**

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

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

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## **11. Resolution 11 – Approval to grant Performance Rights to Mr Peter Richard Watson under the Long Term Incentive Plan**

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

*'That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the grant of 474,628 Performance Rights to Mr Peter Richard Watson (or his nominee), subject to satisfaction of relevant long term performance milestones, the details of which are set out in the Explanatory Memorandum accompanying this Notice.'*

### **Voting Exclusion Statement**

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

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

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee(s), trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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

- the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- 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.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- 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; and
  - expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, or if the Company is part of a consolidated entity, for the entity.

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## 12. Resolution 12 – Approval of Additional 10% Placement Facility

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

*‘That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.’*

### Voting Exclusion Statement

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

- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- an associate of that person or those persons.

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

- a 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; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Important note:** The proposed allottees of any Equity Securities under this 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under the 10% Placement Facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

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### 13. Resolution 13 – Replacement of Constitution

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

*‘That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman of the meeting for identification purposes.’*

**By order of the Board**

12 October 2020



Flavio Garofalo

**Company Secretary**

*The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

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## NOTES

These notes form part of the Notice of Meeting.

### 1. Background information

To assist you in deciding how to vote on the Resolutions, background information to the Resolutions is set out in the Explanatory Memorandum forming part of this Notice of Meeting.

### 2. Required majorities

All of the Resolutions except Resolution 12 and 13 are **ordinary resolutions** and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions in person, by proxy, or by an authorised representative.

Resolution 12 and 13 are **special resolutions** and will be passed only if supported by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution in person, by proxy, or by an authorised representative.

### 3. Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that, for the purpose of voting at the AGM, Shareholders eligible to vote at the AGM are those persons who are the registered holders of Shares at 11:00am (AWST) on Sunday, 8 November 2020.

### 4. How to vote

You may vote by attending the AGM in person, by proxy, or by an authorised representative.

### 5. Voting in person

To vote in person, attend the AGM on the date and at the place set out above. Shareholders are asked to arrive at the venue by 10:45am (AWST) so the Company may check their Shareholding against the Company's Share register and note attendances.

### 6. Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy must appoint a representative to exercise any of the powers the body corporate can exercise as a proxy at the AGM. The representative should bring to the meeting evidence of their appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be received at the Share Registrar **no later than 11:00am (AWST) on Sunday, 8 November 2020** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

Online:	<a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
By Post:	Computershare Investor Services Pty Ltd GPO Box 242 Melbourne Victoria 3001 Australia
By Facsimile (inside Australia):	1800 783 447
By Facsimile (outside Australia):	+61 3 9473 2555

For Intermediary Online subscribers only (custodians) please visit <http://www.intermediaryonline.com> to submit your voting intentions. Any Proxy Form received after 11:00am (AWST) on Sunday, 8 November 2020 will not be valid for the AGM.

### 7. Voting by corporate representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act. A certificate of appointment of the corporate representative will be sufficient for these

purposes and must be lodged with the Company and/or the Share Registrar before the AGM or at the registration desk on the day of the AGM. Certificates of appointment of corporate representatives are available on request by contacting the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

## **8. Questions from Shareholders**

The Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

Mr Dean Just of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2020 (or his representative), will attend the AGM. The Chair will allow a reasonable opportunity for the Shareholders as a whole to ask the auditor questions at the meeting about:

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

To assist the Board and the auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 11:00am (AWST) on Sunday, 8 November 2020.

By Post:	PO Box 7127, Perth, Western Australia 6850
By Facsimile (inside Australia):	+61 8 9485 2070
By Facsimile (outside Australia):	+61 8 9485 2070
In person:	Level 9, 216 St Georges Terrace, Perth, Western Australia 6000

As required under section 250PA of the Corporations Act, at the AGM, the Company will make available those questions directed to the auditor received in writing no later than 5 business days prior to the AGM, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the annual Financial Report for the year ended 30 June 2020. The Chair will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

## **9. Annual Report**

The Company advises a copy of its Annual Report for the year ended 30 June 2020 is available to download at the website address, <http://www.strandline.com.au>.

When you access the Company's Annual Report online, you can view it and print a copy. The Company will not provide a hard copy of the Company's Annual Report unless specifically requested to do so.

Please note if you have elected to continue to receive a hard copy of the Company's annual reports, the Annual Report will accompany this Notice of Meeting or alternatively it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's annual reports and now (or sometime in the future) wish to receive a hard copy of the Company's annual reports, please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

## **10. Enquiries**

Shareholders are invited to contact the Company Secretary, Mr Flavio Garofalo on +61 8 9226 3130 if they have any queries on the matters set out in these documents.

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## EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents and should be read carefully. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice of Meeting please contact the Company, your stockbroker or other professional adviser.

This Explanatory Memorandum has been prepared for Shareholders in connection with the AGM of the Company to be held on Tuesday, 10 November 2020.

The purpose of this Explanatory Memorandum is to provide Shareholders with information the Board believes to be material to Shareholders in deciding whether or not to approve the resolutions detailed in the Notice of Meeting.

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### 1. Financial Reports

The Corporations Act requires the annual Financial Report, Directors' Report, and the Auditor's Report to be received and considered at the AGM. Refer to item 9 of the Notes of the Notice of Meeting as to how to obtain a copy of the Annual Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial statements and reports contained within the Annual Report.

The Company's auditor, BDO Audit (WA) Pty Ltd, will be present at the AGM and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the Company's accounting policies and the independence of the auditor in relation to the conduct of the audit.

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### 2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2020 contains the Remuneration Report which:

- (a) sets out the remuneration policy for the Company;
- (b) discusses the relationship between the remuneration policy and the Company's performance; and
- (c) details the remuneration arrangements of Key Management Personnel, including the Managing Director, senior executives and non-executive Directors.

The Remuneration Report is contained within the Directors' Report in the Company's Annual Report (pages 21 to 28), and can be found in the annual report section of the website at <http://www.strandline.com.au>.

Voting on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company. The Chair will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the meeting.

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors of the Company. However, under the Corporations Act if there are two consecutive votes at annual general meetings of the Company against the Company's remuneration report of 25% or more (each year's votes being considered a **Strike**), at the second consecutive annual general meeting at which a Strike occurs, a resolution must be put to Shareholders to hold another meeting where each Director is nominated for re-election (**Spill Resolution**). If the Spill Resolution is passed, then the Company is required to hold an additional general meeting (**Further Meeting**) within 90 days of the Spill Resolution. At the Further Meeting all Directors (excluding the Managing Director) must be nominated for re-election.

The Remuneration Report for the year ended 30 June 2019 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 28 November 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

Section 250R(4) of the Corporations Act prohibits any votes on this Resolution being cast by Key Management Personnel (or their Associates) whose remuneration details are disclosed in the Remuneration Report. However, an exception to this prohibition exists to enable the Chair to vote Shareholders' undirected proxy votes.

In this regard, you should specifically note that if you appoint the Chair as your proxy and you indicate on the Proxy Form you do not wish to specify how the Chair should vote on Resolution 1, the Chair will cast your votes in favour of Resolution 1.

If you wish to appoint the Chair as your proxy but do NOT want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 1 in the Proxy Form.

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### 3. Resolution 2 – Election of Mr David Mark Hancock as a Director

Clause 56.1 of the Constitution allows the Directors to appoint a new Director at any time, either to fill a casual vacancy or as an addition to the existing Directors. In accordance with clause 56.2 of the Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election.

Mr Hancock was appointed as a Director by the Board on 11 August 2020 in accordance with clause 56.1 of the Constitution. In accordance with clause 56.2 of the Constitution, Mr Hancock retires and offers himself for election as a Director.

Mr Hancock, who holds a Bachelor of Business (B.Bus) degree, is a Chartered Accountant (CA) and a Fellow of the Financial Services Institute of Australia (F FIN), with over 30 years' experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources. During his 13 years at Atlas Iron, Mr Hancock served in numerous roles including CCO, CFO, Executive Director and Company Secretary. He also has strong board-level experience, particularly on matters covering governance, financial reporting, offtake marketing, mergers and acquisitions, risk management and strategy. Mr Hancock has served as a director on a number of ASX-listed entities and is currently a director of nickel explorer Centaurus Metals (ASX: CTM) and Pilbara focused exploration company Fe Ltd (ASX: FEL).

Mr Hancock is also the Chair of the Company's Audit and Risk Committee.

The Board considers Mr Hancock to be an Independent Non-Executive Director.

The Board (with the exception of Mr Hancock, to whom this Resolution relates) recommends Shareholders vote in favour of Resolution 2.

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### 4. Resolution 3 – Re-election of Mr Ernest Thomas Eadie as a Director

Clause 58.1 of the Constitution requires that at each annual general meeting of the Company, one third of the Directors (to the nearest whole number), must retire from office. A retiring Director is eligible for re-election. In accordance with clause 58.1 of the Constitution, Mr Eadie retires by rotation and offers himself for re-election.

The Board considers the mix of executive and non-executive Directors collectively brings the range of skills, knowledge and experience necessary to direct the Company. Mr Eadie was appointed as a Director of the Company on 19 September 2016, a position he has continued to hold since that time. With effect from the conclusion of this AGM, and subject to Resolution 3 being passed, Mr Eadie will remain a Director.

Mr Eadie is a geologist and mining executive with over 20 years' experience in the resources industry with many significant mineral discoveries to his name. Mr Eadie is the former Executive Chairman of Copper Strike, former founding Chairman of Syrah Resources and previously the Executive General Manager – Exploration and Technology at Pasminco. He is a past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association and is currently the Non-executive Chair at Alderan Resources Limited and Pure Alumina Ltd.

Mr Eadie is also a member of the Company's Audit & Risk Committee.

The Board considers Mr Eadie to be an Independent Non-Executive Director.

The Board (with the exception of Mr Eadie, to whom this Resolution relates) recommends Shareholders vote in favour of Resolution 3.

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### 5. Resolution 4 – Ratification of February Placement Shares

#### 5.1 Background

On 26 February 2020, the Company announced a capital raising through the issue of 16,666,667 Shares (**February Placement Shares**) to sophisticated and professional investors at an issue price of \$0.12 per February Placement Share to raise a total of approximately \$2,000,000 (before costs) (**February Placement**).

The February Placement Shares were issued on 4 March 2020 under the Company's Listing Rule 7.1 capacity. Funds raised from the February Placement were used to advance the Coburn Mineral Sands project in Western Australia through the engagement of strategic implementation partners relating to product offtake, major contract packages and funding options, as well as to help fund ongoing exploration and development of the Company's pipeline of

projects in Tanzania (including finalising project funding for the high margin and strategic Fungoni Project and a JORC Mineral Resource update at the large-scale Tajiri project).

## **5.2 Listing Rule 7.1 and 7.4**

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 shareholders over any 12 month period to 15% of the fully paid Shares it had on issue at the start of that period.

The issue of the 16,666,667 February Placement Shares the subject of Resolution 4 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the February Placement Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval to the issue of the 16,666,667 February Placement Shares the subject of Resolution 4 for the purposes of Listing Rule 7.4.

## **5.3 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the issue of the 16,666,667 February Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the February Placement Shares.

If Resolution 4 is not passed, the issue of the 16,666,667 February Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the February Placement Shares.

## **5.4 Technical information required by Listing Rule 7.5**

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

- (a) the February Placement Shares were issued to sophisticated and professional investors (within the meaning of sections 708(8) – (11) of the Corporations Act), none of whom are Related Parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The February Placement Shares were issued to existing Shareholders, and professional and sophisticated investors who are clients of Hartleys Limited;
- (b) a total of 16,666,667 February Placement Shares were issued pursuant to Listing Rule 7.1;
- (c) the February Placement Shares were issued on 4 March 2020;
- (d) the February Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (e) the February Placement Shares were issued for \$0.12 each, raising a total of approximately \$2,000,000 (before costs);
- (f) the purpose of the issue of the February Placement Shares was to fund the advancement of the Coburn Mineral Sands Project through the engagement of strategic implementation partners relating to product offtake, major contract packages and funding options, as well as to help fund ongoing exploration and development of the Company's pipeline of projects in Tanzania (including finalising project funding for the high margin and strategic Fungoni Project and a JORC Mineral Resource update at the large-scale Tajiri project). Hartleys acted as Manager to the share placement through the introduction of a sophisticated and professional investor; and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 4.

## **5.5 Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

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## 6. Resolution 5 and 6 – Ratification of August Placement Shares

### 6.1 Background

On 6 August 2020, the Company announced a capital raising through the issue of 85,858,950 Shares (**August Placement Shares**) to sophisticated and professional investors at an issue price of \$0.215 per August Placement Share to raise a total of approximately \$18,459,674 (before costs) (**August Placement**).

The August Placement Shares were issued on 12 August 2020 under the Company's Listing Rule 7.1 and 7.1A capacity as follows:

- 44,848,703 August Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 5; and
- 41,010,247 August Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 6.

Funds raised from the August Placement were used to advance the Coburn Mineral Sands project in Western Australia through the engagement of strategic implementation partners relating to product offtake, major contract packages and funding options, as well as to help fund ongoing exploration and development of the Company's pipeline of projects in Tanzania (including finalising project funding for the high margin and strategic Fungoni Project and a JORC Mineral Resource update at the large-scale Tajiri project).

### 6.2 Listing Rules 7.1, 7.1A and 7.4

A summary of Listing Rule 7.1 and 7.4 is set out in Section 5.2 above. 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 the 15% limit under Listing Rule 7.1 by an extra 10% to 25% (**Listing Rule 7.1A Mandate**). Shareholders approved this additional capacity at the Company's last annual general meeting on 28 November 2019.

The issue of the August Placement Shares does not fall within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit under Listing Rule 7.1 and the 10% limit under Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under:

- (a) Listing Rule 7.1 for the 12 month period following the issue of the August Placement Shares; and
- (b) Listing Rule 7.1A for the period ending on the earliest of:
  - (i) the date that is 12 months after the Company's last annual general meeting at which the Listing Rule 7.1A Mandate was approved;
  - (ii) the time and date of the Company's next annual general meeting; and
  - (iii) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (for the disposal of the Company's main undertaking),

**(Listing Rule 7.1A Mandate Expiry Date).**

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolutions 5 and 6 seek Shareholder approval to the issue of the August Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of the 44,848,703 August Placement Shares the subject of Resolution 5 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the August Placement Shares.

If Resolution 5 is not passed, the issue of the 44,848,703 August Placement Shares the subject of Resolution 5 will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the August Placement Shares.

If Resolution 6 is passed, the issue of the 41,010,247 August Placement Shares the subject of Resolution 6 will be excluded in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

If Resolution 6 is not passed, the issue of the 41,010,247 August Placement Shares the subject of Resolution 6 will be included in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

### **6.3 Technical information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolutions 5 and 6:

- (a) the August Placement Shares were issued to sophisticated and professional investors (within the meaning of sections 708(8) – (11) of the Corporations Act), none of whom are Related Parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. The August Placement Shares were issued to existing Shareholders, and professional and sophisticated investors with Shaw and Partners acting as Lead Manager and Bookrunner to the Placement with Morgans as Co-Manager.
- (b) a total of:
  - (i) 44,848,703 Placement Shares were issued pursuant to Listing Rule 7.1; and
  - (ii) 41,010,247 Placement Shares were issued pursuant to Listing Rule 7.1A;
- (c) the August Placement Shares were issued on 6 August 2020;
- (d) the August Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (e) The August Placement Shares were issued for \$0.215 each, raising a total of approximately \$18,459,674 (before costs);
- (f) the purpose of the issue of the August Placement Shares was to fund the advancement of the Coburn Mineral Sands Project through the engagement of strategic implementation partners relating to product offtake, major contract packages and funding options, as well as to help fund ongoing exploration and development of the Company's pipeline of projects in Tanzania (including finalising project funding for the high margin and strategic Fungoni Project and a JORC Mineral Resource update at the large-scale Tajiri project); and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolutions 5 and 6.

### **6.4 Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolutions 5 and 6.

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## **7. Resolution 7 – Approval of Long-Term Incentive Plan**

### **7.1 Background**

Resolution 7 seeks Shareholder approval to the adoption by the Company of a Long Term Incentive Plan (**LTI Plan**) and associated approval under Listing Rule 7.2, Exception 13(b) for the issue of Performance Rights under the LTI Plan (and therefore the issue of Shares on exercise of those Performance Rights) as an exception to Listing Rule 7.1. Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of this Meeting (i.e. issues of Performance Rights under the LTI Plan and the issue of Shares on vesting of Performance Rights will for that period of 3 years be excluded from the calculations in determining the number of Equity Securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1).

The purpose of the LTI Plan is to increase Shareholder value in the Company by:

- (a) driving management decisions focussed on the long term prosperity of the Company through the use of Performance Hurdles (as defined under the LTI Plan);
- (b) linking employee remuneration to employee performance in relation to Performance Hurdles which enhance the Company's performance and contribute to the growth of the Company; and
- (c) ensuring the longer term success of the Company by attracting new staff and retaining existing employees.

Shareholders previously approved the LTI Plan at the Company's annual general meeting held on 28 November 2017.

The Board has resolved to update the LTI Plan and to seek Shareholder approval for a further period of 3 years.

## 7.2 Listing Rule 7.2 – Summary of the LTI Plan

A summary of the main provisions of the LTI Plan is set out below:

- (a) only “Employees” may participate under the LTI Plan. An “Employee” is defined as a full-time or part-time employee (including an executive Director) and a casual employee or contractor to the extent permitted by ASIC Class Order 14/1000;
- (b) the Board may determine which Employees and Directors are entitled to participate in the LTI Plan and the extent of that participation, the Performance Hurdles to be met before the Performance Rights may be exercised, the performance periods, the expiry date and all other terms of the Performance Rights;
- (c) the Board may offer Performance Rights to any Eligible Person (i.e. an Employee) at such times and on such terms as the Board considers appropriate. However, in accordance with the Listing Rules, no Performance Rights may be issued to a Director, whether under the LTI Plan or otherwise, without prior Shareholder approval;
- (d) offers made under the LTI Plan in reliance on ASIC Class Order 14/1000 will not exceed 5% of the total number of Shares on issue 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 3 year period under the LTI Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme;
- (e) an Employee who accepts an offer of Performance Rights under the LTI Plan (i.e. a Participant) will not pay anything for the grant of the Performance Rights;
- (f) a Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise;
- (g) all Shares allotted upon exercise of the Performance Rights will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX;
- (h) the Company will not apply for official quotation of any Performance Rights;
- (i) the Performance Rights are not transferable except if a Participant dies;
- (j) Performance Rights lapse on the earlier to occur of:
  - (i) where Performance Hurdles have not been satisfied as at the expiry of the performance period;
  - (ii) if an Eligible Person ceases to be an Employee (except in certain cases);
  - (iii) the day the Board makes a determination that Performance Rights lapse due to breach, fraud or dishonesty;
  - (iv) the winding up or change of main undertaking of the Company; or
  - (v) the expiry date for the PRs.
- (k) On the occurrence of a change of control event in relation to the Company which includes an unconditional takeover offer being made for Shares in the Company, any merger transaction or scheme of arrangement being approved under the Corporations Act for the Shares in the Company, or a person, or a group of associated persons becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company, the Board may in its absolute discretion determine that all or a portion of the unvested Performance Rights will become vested Performance Rights;
- (l) if the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of a Participant for a Performance Right held by the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares to which the Performance Right relates will be increased by the number of Shares which the Participant would have received under the bonus issue if the Performance Right had vested immediately prior to the record date for the bonus issue;
- (m) on a reorganisation of the Company’s capital, the rights of Participants will be changed to the extent necessary to comply with the Listing Rules; and
- (n) the Board may terminate or suspend the LTI Plan at any time without notice to Participants.

### **7.3 Technical information required by Listing Rule 14.1A**

If Resolution 7 is passed, the Company will be able to issue PRs under the LTI Plan to eligible participants over a period of 3 years. The issue of any PRs to eligible participants under the LTI Plan (up to the maximum number of PRs stated in Section 7.4(c) below) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company will be required to seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of PRs under the LTI Plan to a Related Party or a person whose relationship with the Company or the Related Party is, in ASX's opinion, such that approval should be obtained.

If Resolution 7 is not passed, the Company will be able to proceed with the issue of PRs under the Incentive Plan to eligible participants, but any issues PRs will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the PRs.

### **7.4 Technical 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 Resolution 7:

- (a) A summary of the key terms and conditions of the Incentive Plan is set out in Section 7.2.
- (b) Since the LTI Plan was last approved by Shareholders on 28 November 2017, 20,622,359 Performance Rights were issued, of which 15,802,002 were vested into shares and nil lapsed.
- (c) the maximum number of Equity Securities proposed to be issued under the Incentive Plan following Shareholder approval is 26,144,778 Equity Securities (being 5% of the issued capital of the Company). It is not envisaged that the maximum number of Equity Securities for which approval is sought will be issued immediately.
- (d) A voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7.

### **7.5 Directors' Recommendation**

All the Directors (except those who are eligible to participate under the LTI Plan) recommend that Shareholders vote in favour of Resolution 7.

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## **8. Resolutions 8 and 9 – Approval of Issue of Shares to Mr Luke Edward Graham and Mr Peter Richard Watson under the Short Term Incentive Plan**

### **8.1 Background**

Mr Graham was appointed as the Company's Managing Director and Chief Executive Officer on 19 September 2016. Mr Watson was appointed as an Executive Director of the Company on 10 September 2018. As part of each of Messrs Graham and Mr Watson's terms of employment with the Company, the Board has (subject to obtaining all necessary approvals from Shareholders) notified Messrs Graham and Watson that they are eligible to participate in the STI Plan.

Under the terms of that notice, each of Messrs Graham and Watson's entitlement to incentivisation under the Plan will be subject to the achievement of a series of both financial and non-financial annual key performance indicators (**KPIs**). Those KPIs will be set and agreed annually between the Board and each of Messrs Graham and Watson (as applicable), on the basis that they should be reasonable, realistic and achievable.

KPIs for the financial year ended 30 June 2021 have not yet been established as at the date of this Explanatory Memorandum. However, the Board currently expects that those KPIs will be finalised in conjunction with each of Messrs Graham and Watson (as applicable) by no later than 30 November 2020, having regard to matters which are expected to include, but not be limited to, the following:

- the overall financial performance of the Company;
- the achievement of key developmental and/or resource base milestones in relation to the Company's key projects;
- the execution of value-accretive initiatives and tactical actions consistent with the long-term strategic direction of the Company as agreed between the Board and Messrs Graham and Watson (as applicable); and
- key workplace health and safety and environmental metrics (including achieving annual targets set for matters such as lost time due to injuries in relation to the Company's operations).

Under the terms of the notice given by the Board to Mr Graham, the maximum annual incentive that Mr Graham is eligible to receive under the STI Plan is an amount equal to 50% of his annual base salary, which is currently \$400,000 (inclusive of superannuation). Accordingly, the maximum annual amount to which Mr Graham would currently be

eligible to receive under the STI Plan is \$200,000 (inclusive of superannuation).

Under the terms of the notice given by the Board to Mr Watson, the maximum annual incentive that Mr Watson is eligible to receive under the STI Plan is an amount equal to 35% of his annual base salary, which is currently \$180,675 (inclusive of superannuation). Accordingly, the maximum annual amount to which Mr Watson would currently be eligible to receive under the STI Plan is \$63,236 (inclusive of superannuation).

With respect to each relevant annual payment to which he becomes entitled under the STI Plan, Mr Graham may elect to receive the payment:

- (a) in cash only; or
- (b) in a combination of cash and Shares (provided that the relevant cash component must be no less than 33% of the total payment).

With respect to each relevant annual payment to which he becomes entitled under the STI Plan, Mr Watson may elect to receive the payment:

- (a) in cash only; or
- (b) in a combination of cash and Shares.

In each relevant year to which Messrs Graham and Watson become entitled to a bonus under the STI Plan, the cash component of that bonus will be paid to them and the Share-based component will be issued no later than 15 August.

To the extent that Mr Graham or Mr Watson elect to receive Shares in the Company, the number of Shares issued will be determined by dividing the amount of the payment Mr Graham or Mr Watson (as applicable) elect to receive as Shares, by the deemed price per Share. The deemed price per Share will be the VWAP for the Company's Shares traded on ASX for the period 1 June until 31 July in the year to which the relevant payment relates.

Resolutions 8 and 9 seek Shareholder approval to the grant of Shares to Mr Graham and Mr Watson pursuant to the STI Plan, subject to achievement of applicable KPIs and otherwise on the basis explained in section 8.4 below. Resolutions 6 and 7 are in each case subject to and conditional on Shareholders having approved Resolution 7.

## **8.2 Chapter 2E of the Corporations Act**

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

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

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

Resolutions 8 and 9 relate to the proposed issue of Shares, which constitutes giving a financial benefit. Messrs Graham and Watson are each a related party of the Company by virtue of being a Director.

The Board (other than Messrs Graham and Watson, to whom Resolutions 8 and 9 relate) has considered the proposed grant of cash and non-cash benefits to Messrs Graham and Watson pursuant to the STI Plan and has in each case formed the view that the grant of such benefits falls within the "reasonable remuneration" exception to the requirement for Shareholder approval under section 211 of the Corporations Act, having regard to a number of factors including the guidance in *ASIC Regulatory Guide 76: Related Party Transactions*.

Accordingly, the Company is of the view that it is not required to seek Shareholder approval under Chapter 2E of the Corporations Act as regards Resolutions 8 and 9.

## **8.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- (a) 10.14.1: a director of the entity;
- (b) 10.14.2: an associate of a director of the entity; or
- (c) 10.14.3: a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

Mr Graham is the Managing Director and Chief Executive Officer of the Company. Mr Watson is an Executive Director

of the Company. Accordingly, approval is required under Listing Rule 10.14.1 for each of Messrs Graham and Watson to be issued with Shares under the STI Plan. Approval pursuant to Listing Rule 7.1 is not required in order to issue such Shares to Messrs Graham or Watson, as approval is being obtained under Listing Rule 10.11. Accordingly, Shareholders should note that the potential issue of Shares to Messrs Graham or Watson under the STI Plan will not be included in the 15% calculation imposed by Listing Rule 7.1.

Listing Rule 10.14 also provides that the notice of meeting to obtain the relevant approval must comply with Listing Rule 10.15, which specifies particular information to be provided in connection with the approval.

#### **8.4 Technical information required by Listing Rule 14.1A**

If Resolutions 8 and 9 are passed, the Company will be able to proceed with the issue of the Shares the subject of Resolutions 8 and 9 to Messrs Graham and Watson respectively under the STI Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

If Resolutions 8 and 9 are not passed, the Company will not be able to proceed with the issue of the Shares the subject of Resolutions 8 and 9 to Messrs Graham and Watson respectively under the STI Plan and will subsequently need to use the Company's funds to pay the required remuneration to each Director.

#### **8.5 Technical information provided in accordance with Listing Rule 10.15 as regards to Shares to be issued to Messrs Graham and Mr Watson under the STI Plan**

For the purposes of Listing Rule 10.15, the following information is provided in connection with Resolutions 8 and 9:

- (a) The Shares will be issued to Mr Luke Graham and Mr Peter Watson (or their respective nominees), who each fall within the category set out in Listing Rule 10.14.1 by virtue of each being a Director.
- (b) The Shares will be fully paid ordinary shares in the capital of the Company and rank equally with the Company's existing Shares.
- (c) The current total annual remuneration for each of Messrs Graham and Watson is set out below:

##### ***Mr Luke Graham***

- Term of agreement – permanent basis commencing 19 September 2016.
- Fixed Annual Remuneration of \$400,000 per annum (including superannuation), to be reviewed annually.
- Short Term Incentive (STI) - performance to be assessed annually against a series of both financial and non-financial Key Performance Indicators (KPIs). The maximum annual amount payable under the Short Term Incentive is 50% of the Fixed Annual Remuneration. The STI will be paid in August each year in cash and/or performance rights.
- Long Term Incentive (LTI) - entitled to participate in the LTI Plan to be approved by Shareholders.

##### ***Mr Peter Richard Watson:***

- Terms of agreement – permanent basis commencing 10 September 2018
- Fixed Annual Remuneration of \$165,000 per annum (including superannuation), to be reviewed annually.
- Short Term Incentive (STI) - performance to be assessed annually against a series of both financial and non-financial Key Performance Indicators (KPIs). The maximum annual amount payable under the Short Term Incentive is 35% of the Fixed Annual Remuneration. The STI will be paid in August each year in cash and/or performance rights.
- Long Term Incentive (LTI) - entitled to participate in the LTI Plan to be approved by Shareholders.

- (d) the formulae for calculating the maximum number of Shares to be issued to Messrs Graham or Watson (as applicable) on an annual basis are as follows:

- (i) Part 1 – Calculation of total value of Shares

$$SV = BE - CV$$

***Where:***

**SV** is the maximum value of the Shares to be issued to Mr Graham or Mr Watson (as

applicable);

**BE** is the value of the bonus entitlement determined by the Board; and

**CV** is the value of the minimum cash portion of the bonus entitlement determined by the Board;

(ii) Part 2 – Calculation of total number of Shares

**OS = SV/DSP**

**Where:**

**OS** is the maximum number of Shares to be issued to Messrs Graham or Watson (as applicable), which is not to exceed 2,000,000 Shares per year in respect of Mr Graham or 577,500 Shares per year in respect of Mr Watson. The maximum number of Shares to be issued to Mr Graham over the 3 year period of the Plan is not to exceed 6,000,000 Shares. The maximum number of Shares to be issued to Mr Watson over the 3 year period of the Plan is not to exceed 1,732,500 Shares;

**SV** is the value referred to above; and

**DSP** is the deemed price per Share, which will be the VWAP for the Company's Shares traded on ASX for the period 1 June until 31 July in the year to which the relevant bonus payment under the STI Plan relates.

- (e) The issue price of the Shares will be nil and the deemed price per Share will be as set out in paragraph (d) above.
- (f) Subject to Shareholder approval of Resolutions 8 and 9, the Shares to which either Mr Graham or Mr Watson (as applicable) may become entitled under the STI Plan will be issued to them by no later than the 15th of August in each relevant year. As Shares issued pursuant to an approval under Listing Rule 10.14 must be issued within 3 years after the date of the meeting at which such approval is obtained, no Shares are intended to be issued to Messrs Graham or Watson (without additional approval by Shareholders) as regards the financial years following the financial year ending 30 June 2023.
- (g) Persons who have previously received securities under the STI Plan as at the date of this Notice include Mr Graham on 15 August 2018 (581,082 @ \$0.142 each) and on 15 August 2019 (729,847 shares @ \$0.1377 each). The past issues were for nil consideration and prices disclosed were deemed issue prices.
- (h) A summary of the material terms of the STI Plan is set out in Schedule 1.
- (i) No loan arrangements apply in relation to the acquisition.
- (j) Details of any securities issued under the STI Plan will be published in each annual report of the Company relating to the period in which the securities have been issued, and such annual report will state that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (k) Any additional persons who become entitled to participate in the STI Plan after Resolutions 8 and 9 are approved and who are not named in this Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.
- (l) A voting exclusion statement is included in the Notice for the purpose of Resolutions 8 and 9.

Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolutions 8 or 9.

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## **9. Resolutions 10 and 11 – Approval to grant Performance Rights to Mr Luke Edward Graham and Mr Peter Richard Watson under the Long Term Incentive Plan**

### **9.1 Background**

The Company has agreed, subject to obtaining Shareholder approval, to grant the following Performance Rights (**PRs**) to Messrs Graham and Watson as a long term incentive in connection with their role as Directors:

- (a) 1,751,313 PRs to Mr Graham (or his nominee); and
- (b) 474,628 PRs to Mr Watson (or his nominee).

A summary of the terms and conditions applicable to the PRs the subject of Resolutions 10 and 11 is set out at Schedule 2.

## 9.2 Vesting criteria

The PRs under Resolutions 10 and 11 are intended to be granted in one tranche and subject to particular performance conditions. Upon satisfaction of the relevant performance conditions, the PRs will vest, and Messrs Graham and Watson will each be issued with a corresponding number of Shares without being required to pay any monetary consideration.

The PRs will be offered to Messrs Graham and Watson for no cash consideration. The PRs will only vest if the relevant performance conditions are met, as outlined in the table below and explained further in the text which immediately follows it:

Party	Total Shareholder Return performance measurement period (24 month period)	Maximum number of Performance Rights to vest	Issue price calculation period (2 month period)	Vesting date
Luke Edward Graham	1 July 2021 – 30 June 2023	For Category A TSR performance – nil  For Category B TSR performance – 875,656  For Category C TSR performance – 1,751,313	1 June 2022 – 31 July 2023	15 August 2023
Peter Richard Watson	1 July 2021 – 30 June 2023	For Category A TSR performance – nil  For Category B TSR performance – 237,314  For Category C TSR performance – 474,628	1 June 2022 – 31 July 2023	15 August 2023

### Explanation of performance conditions

At the end of the performance measurement period, the Board will rank the Company's Total Shareholder Return (TSR), being the increase in the Company's Share price during that performance measurement period (as adjusted for any applicable share consolidation, share split and dividend payment, to the extent relevant to that period) against a peer group of other companies as determined by the Board. The percentage of PRs that will vest will depend upon the Company's TSR performance relative to the companies in the peer group. The Company's TSR performance will fall within Category A, B or C as set out below:

- (a) **Category A:** if the Company's TSR is at/or below the 45th percentile of the peer group of companies' TSR, no PRs will vest.
- (b) **Category B:** If the Company's TSR ranks between the 46th and 50th percentile (inclusive) of the peer group of companies' TSR, for each percentile over the 45th percentile, 10% of the PRs will vest (up to a maximum of 50% of the PRs for this Category).
- (c) **Category C:** For each 1% ranking at or above the 51st percentile of the peer group of companies' TSR, an additional 2% of the PRs will vest (up to a maximum of 100%, which will vest at or above the 75th percentile).

The Board will select the peer group of companies having regard to the following factors:

- (a) they represent a reasonable cross section of resource companies with reasonably comparable market

capitalisation, resource base and stage of development to that of the Company; and

(b) the group is primarily focused on developing industrial minerals projects.

The Board will also nominate an additional five suitable replacement companies (“**reserve group**”). Where a company in the peer group is delisted, merges or ceases in the Board’s reasonable opinion to be suitable for comparative purposes, it will, subject to the Board’s discretion, be replaced by a company from the reserve group. The peer group and reserve group may be varied from time to time by the Board in its absolute discretion.

The Board will have an additional discretion in special circumstances, where it believes that the Company’s TSR performance as calculated and categorised above in relation to a particular performance measurement period does not reflect the true achievement in generating Shareholder value and executing long-term strategies, to increase the number of PRs which are deemed to vest as at the relevant vesting date, provided that in no circumstances will more than:

(a) 1,751,313 PRs be liable to vest (in the case of Mr Graham); and

(b) 474,628 PRs be liable to vest (in the case of Mr Watson).

Listing Rule 10.14 also provides that the notice of meeting to obtain the relevant approval must comply with Listing Rule 10.15, each of which specifies particular information to be provided in connection with the approval.

### **9.3 Chapter 2E of the Corporations Act**

A summary of Chapter 2E of the Corporations Act is set out at Section 8.2. The issue of the PRs constitutes giving a financial benefit. Messrs Graham and Watson are each a related party of the Company by virtue of being a Director.

The Company is currently in a critical stage of development and will be facing significant opportunities and challenges in both the short and long-term. The proposed issue of PRs the subject of Resolutions 10 and 11 reflect the level of commitment to be provided by Messrs Graham and Watson to the Company in assisting it to achieve certain specified performance objectives, taking into account the responsibilities of Messrs Graham and Watson and the time commitment required from each of them. The PRs to be granted also reflect the value the Board believes Messrs Graham and Watson bring to the Company and provides an appropriate and adequate incentive for Messrs Graham and Watson to assist the Company in achieving performance milestones. The Board considers it is appropriate for part of the remuneration packages of Messrs Graham and Watson to comprise non-cash, incentive-based remuneration.

The Board (other than Messrs Graham and Watson, to whom Resolutions 10 and 11 relate) has considered the proposed grant of PRs to Messrs Graham and Watson pursuant to the STI Plan and has in each case formed the view that the grant of such benefits falls within the “reasonable remuneration” exception to the requirement for Shareholder approval under section 211 of the Corporations Act, having regard to a number of factors including the guidance in *ASIC Regulatory Guide 76: Related Party Transactions*.

Accordingly, the Company is of the view that it is not required to seek Shareholder approval under Chapter 2E of the Corporations Act as regards Resolutions 10 and 11.

### **9.4 Listing Rule 10.14**

A summary of Listing Rule 10.14 is set out in Section 8.3 above. Mr Graham is the Managing Director and Chief Executive Officer of the Company. Mr Watson is an Executive Director of the Company. Accordingly, approval is required under Listing Rule 10.14.1 for each of Messrs Graham and Watson to be issued with PRs under the LTI Plan. Approval pursuant to Listing Rule 7.1 is not required in order to issue such PRs to Messrs Graham or Watson, as approval is being obtained under Listing Rule 10.11. Accordingly, Shareholders should note that the potential issue of PRs to Messrs Graham or Watson under the LTI Plan will not be included in the 15% calculation imposed by Listing Rule 7.1.

Listing Rule 10.14 also provides that the notice of meeting to obtain the relevant approval must comply with Listing Rule 10.15, which specifies particular information to be provided in connection with the approval.

### **9.5 Technical information required by Listing Rule 14.1A**

If Resolutions 10 and 11 are passed, the Company will be able to proceed with the issue of the PRs the subject of Resolutions 10 and 11 to Messrs Graham and Watson respectively under the LTI Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

If Resolutions 10 and 11 are not passed, the Company will not be able to proceed with the issue of the PRs the subject of Resolutions 10 and 11 to Messrs Graham and Watson respectively under the LTI Plan and will subsequently need to use the Company’s funds to pay the required remuneration to each Director.

## 9.6 Technical information provided in accordance with Listing Rule 10.15 as regards to Performance Rights to be granted to Messrs Graham and Mr Watson under the LTI Plan

For the purposes of Listing Rule 10.15, the following information is provided in connection with Resolutions 10 and 11:

- (a) The PRs will be issued to Mr Luke Graham and Mr Peter Watson (or their respective nominees), who each fall within the category set out in Listing Rule 10.14.1 by virtue of each being a Director.
- (b) The current total annual remuneration for each of Messrs Graham and Watson is set out in Section (c) above.
- (c) The maximum number of PRs to be granted is 3,941,124, being:
  - (i) 1,751,313 PRs to Mr Graham (or his nominee) under Resolution 10; and
  - (ii) 474,628 PRs to Mr Watson (or his nominee) under Resolution 11.
- (d) The PRs will be granted no later than 1 month after the date of the Annual General Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) The PRs will be granted for nil consideration, as they are being granted as part of the remuneration packages for Messrs Graham and Watson as a material incentive for their ongoing commitment and dedication to the growth of the Company.
- (f) The PRs will be issued on the terms and conditions set out in Schedule 2.
- (g) Persons who have previously received PRs as at the date of this Notice include Mr Graham on 15 December 2017 (5,500,000 PRs), 30 November 2018 (2,666,667 PRs) and 15 August 2019 (3,100,775 PR's) and Mr Watson on 20 February 2018 (861,400 PRs), 30 November 2018 (722,700 PRs) and 15 August 2019 (840,349 PR's). The PRs were issued for nil consideration.
- (h) A summary of the material terms of the LTI Plan is set out in Section 7.2.
- (i) The Company has chosen to issue the PRs the subject of Resolutions 10 and 11 to Messrs Graham and Watson respectively to focus on the long term outcomes of the Company and to align the interests of Messrs Graham and Watson with that of Shareholders.
- (j) Based on a binominal pricing model (as calculated by the Company), the value of the PRs to be issued under Resolution 10 and 11 is set out below.

Related Party	Number of PRs to be issued	Value of PRs
Luke Graham (Resolution 10)	1,751,313	\$150,613
Peter Watson (Resolution 11)	474,628	\$40,818

- (k) No loan arrangements apply in relation to the acquisition.
- (l) Details of any securities issued under the LTI Plan will be published in each annual report of the Company relating to the period in which the securities have been issued, and such annual report will state that approval for the issue of the securities was obtained under Listing Rule 10.14.
- (m) Any additional persons who become entitled to participate in the LTI Plan after Resolutions 10 and 11 are approved and who are not named in this Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is included in the Notice for the purpose of Resolutions 10 and 11.

Other than the information above and otherwise in this Explanatory Memorandum, the Company believes there is no other information that would be reasonably required by Shareholders to consider Resolutions 10 and 11.

## 9.7 Directors' Recommendation

All the Directors (except Mr Graham, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 10. All the Directors (except Mr Watson, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 11.

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## **10. Resolution 12 – Approval of Additional 10% Placement Facility**

### **10.1 Background**

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% (**10% Placement Facility**).

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.

Resolution 12 seeks Shareholder approval by way of 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.

If Resolution 12 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 12 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.

### **10.2 Requirements of Listing Rule 7.1A**

#### **(a) Eligible Entities**

As set out above, 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 at the time of this Notice of Meeting and expects to be so at the date of the Meeting.

#### **(b) Shareholder approval**

Shareholders must approve the 10% Placement Facility by special resolution at the Annual General Meeting, which requires the 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). A resolution under Listing Rule 7.1A cannot be put at any other Shareholder meeting.

#### **(c) Equity Securities**

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 Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being Shares (ASX Code: STA) and unquoted Performance Rights.

#### **(d) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

**Where:**

A = The number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;

- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or
  - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities that became fully paid in the relevant period;
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity;

D = 10%;

E = 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; and

“relevant period” means:

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

**(e) Listing Rule 7.1 and Listing Rule 7.1A**

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

At the date of this Notice, the Company has on issue 522,895,557 Shares. If Resolution 12 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 78,434,333 Equity Securities under Listing Rule 7.1; and
- (ii) 52,289,555 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 10.2(d) above).

**10.3 Information for Shareholders as required by ASX Listing Rule 7.3A**

**(a) Listing Rule 7.3A.1 – Period of approval for which 10% Placement Facility is valid**

An approval from Shareholders under Listing Rule 7.1A will be valid and commence on the date of the Annual General Meeting at which Shareholder approval is obtained (being 10 November 2020) and expires on the first to occur of the following.

- (i) The date that is 12 months after the date of the Annual General Meeting.
- (ii) The time and date of the Company’s next annual general meeting.
- (iii) The time and date of the approval by holders of the Company’s ordinary securities of a transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

**(b) Listing Rule 7.3A.2 – Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be 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.

(c) **ASX Listing Rule 7.3A.3 – Purposes for which the new Equity Securities may be issued**

The Company may use funds raised by an issue of Equity Securities under Listing Rule 7.1A.2 for the following purposes:

- the acquisition of new assets or investments (including the expenses associated with such acquisitions);
- continued exploration, feasibility study and project development expenditure on the Company's current assets; and/or
- general working capital.

(d) **ASX Listing Rule 7.3A.4 – Risk of economic and voting dilution**

If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Shares under the issue. There is a risk that:

- 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 AGM; and
- the new 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.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

For the purpose of Listing Rule 7.3A.2, the table also shows:

- two examples, where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples, where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in Issue Price	\$0.20 Current Market/ Issue Price	\$0.30 50% increase in Issue Price
Current Variable A 522,895,557 Shares	10% Voting Dilution	52,289,556 shares	52,289,556 shares	52,289,556 shares
	Funds raised	\$5,228,956	\$10,457,911	\$15,686,866
50% increase in current Variable A 784,343,336 Shares	10% Voting Dilution	78,434,334 shares	78,434,334 shares	78,434,334 shares
	Funds raised	\$7,843,443	\$15,686,867	\$23,530,300
100% increase in current Variable	10% Voting Dilution	104,579,111 shares	104,579,111 shares	104,579,111 shares

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in Issue Price	\$0.20 Current Market/ Issue Price	\$0.30 50% increase in Issue Price
<b>A</b> 1,045,791,114 Shares	<b>Funds raised</b>	\$10,457,911	\$20,915,822	\$31,373,733

**The table has been prepared on the basis of the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Options or Performance Rights (including any Options having previously been issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The 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.
  - (v) 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.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.20, being the closing price of the Shares on ASX on 8 October 2020.
- (e) **ASX Listing Rule 7.3A.5 – Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the 10% Placement Facility will be dependent on the existing market conditions at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the 10% Placement Facility will be a Related Party or associate of a Related Party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the 10% Placement Facility, and it is possible that their Shareholding will be diluted.

The Company will comply with its disclosure obligations under Listing Rule 7.1A.4 on the issue of any new securities.

(f) **ASX Listing Rule 7.3A.6 – Details of Equity Securities issued during past 12 months**

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 28 November 2019. Therefore, the following information is provided in accordance with Listing Rule 7.3A.6 regarding the Equity Securities issued in the previous 12 months preceding the date of this Meeting.

Assuming no further issue of securities between the date of this Notice of Meeting and the date of the AGM, the Company will have issued a total of 41,010,247 Equity Securities under Listing Rule 7.1A.2 during the 12

months preceding the date of this Meeting, representing approximately 8% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of this Meeting, being 10 November 2020. Information relating to issues of Equity Securities by the Company in the 12 months prior to the date of this Meeting is as follows:

Issue Date	Number of Equity Securities Issued	Class of Equity Securities Issued	Names of Persons to Whom Issued Equity Securities	Issue Price	Closing Market Price at Issue Date	Discount to Closing Market Price on Issue Date	Cash Consideration
12/08/2020	41,010,247	Ordinary Shares	Note (i)	\$0.215	\$0.23	Discount of 6.5%	\$8,817,203

Notes:

- (i) Placement of Shares to institutional and sophisticated investors. Proceeds from the placement will be used to advance the Coburn mineral sands project in Western Australia through the engagement of strategic implementation partners relating to product offtake, major contract packages and funding options. The proceeds will also help fund the ongoing exploration and development of the Company's pipeline of projects in Tanzania. Of the \$8.8 million raised, \$nil has been spent on the exploration and development activities on the Company's projects in Australia and Tanzania, with \$18.5 million remaining to be used. The remaining funds will also be used to fund exploration and development activities in Australia and Tanzania
- (j) A voting exclusion statement is included in the Notice for the purpose of Resolution 12. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 11. Resolution 13 – Replacement of Constitution

### 11.1 Background

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 13 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares.

The current Constitution was adopted in or around 1999. Since then, there have been a number of changes to the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules, and corporate governance principles for listed companies. Accordingly, the Board considers that it is in the best interests of the Company and its shareholders to revise and update the current Constitution.

Given the number of changes involved and the need to use updated technology, the best and most efficient way of doing so is to adopt the Proposed Constitution.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature, including but not limited to:

- updating references to bodies or legislation which have been renamed; and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy 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.

Resolution 13 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).

### 11.2 Summary of material terms of Proposed Constitution

A summary of some of the material terms of the Proposed Constitution is set out below. The Board encourages Shareholders to contact the Company should they have any concerns and wish to view the Proposed Constitution in full.

(a) **Restricted Securities**

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

(b) **Minimum Shareholding**

The Proposed Constitution outlines how the Company can manage shareholdings which represent an “unmarketable parcel” of shares.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

The Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

(c) **Use of technology for meetings**

The Proposed Constitution allows the Company to hold meetings of shareholders in two or more places linked together by any technology that:

- (i) gives the eligible members as a whole a reasonable opportunity to participate in proceedings;
- (ii) enables the chairperson to be aware of proceedings in each place; and
- (iii) enables the eligible members in each place to vote on a show of hands and on a poll.

If a meeting is held in two or more places, an eligible member present at one of the places is taken to be present at the meeting, and the chairperson of the meeting may determine at which place the meeting is taken to have been held.

(d) **Dividends**

The Proposed Constitution provides that, subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shares and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference Shares and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may determine that a dividend is payable on Shares and fix:

- the amount of the dividend;
- whether the dividend is franked, the franking percentage and the franking class;
- the time for determining entitlements to the dividend;
- the time for the payment of the dividend; and
- the method of payment of the dividend.

(e) **Winding up**

The Proposed Constitution provides that, subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the members in the proportions which the amount paid (including amounts credited) on the Shares of a member is of the total amounts paid and payable (including amounts credited) on the Shares of all members.

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the members:

- distribute among the members the whole or any part of the property of the Company; and
- decide how to distribute the property as between the members or different classes of members.

(f) **Calls**

Under the Proposed Constitution:

- Subject to the terms of issue of a Share, the Company may at any time make calls on the members of a Share for all or any part of the amount unpaid on the Share as the Directors resolve. The Company must give members at least 10 business days notice of a call.
- The Company may make calls payable for one or more members for different amounts and at different times.
- Subject to the terms of issue of a Share, a call may be made payable by instalments.
- Subject to the Company may revoke or postpone a call or extend the time for payment of a call.
- A call is made when the Directors resolve to make the call.

(g) **Time of service**

The Proposed Constitution provides the following in relation to the deemed timing of service of documents by the Company.

(i) The Company may give notice to a member:

- in person;
- by sending it by post to the address of the Member in the Register or the alternative address (if any) nominated by that Member;
- by sending it to the fax number or electronic address (if any) nominated by that Member; or
- such other means as permitted by the Corporations Act.

(ii) A notice sent by post to an address within Australia is taken to be given:

- in the case of a notice of meeting, one day after it is posted; or
- in any other case, at the time at which the notice would be delivered in the ordinary course of post.

(iii) A notice sent by post or air-mail to an address outside Australia is taken to be given:

- in the case of a notice of meeting, one day after it is posted; or
- in any other case, at the time at which the notice would be delivered in the ordinary course of post.

(iv) A notice sent by air courier to a place outside Australia is taken to be given one day after delivery to the air courier.

(v) A notice sent by fax is taken to be given on the day it is sent, provided that the sender's transmission report shows that the whole notice was sent to the correct fax number.

(vi) A notice sent to an electronic address is taken to be given on the date it is sent unless a delivery failure message is received by the Company.

(vii) The giving of a notice by post, air-mail or air courier is sufficiently proved by evidence that the notice:

- was addressed to the correct address of the recipient; and
- was placed in the post or delivered to the air courier.

### 11.3 Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a

provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

(a) **Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market 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 proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

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

As at the date of this Notice of Meeting, 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) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 13.

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## GLOSSARY

In this document:

**\$** means Australian dollars.

**10% Placement Facility** has the meaning given in Section 10.1.

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

**AGM, Annual General Meeting or Meeting** means the Annual General Meeting of the Company to be held on 10 November 2020, or any adjournment or postponement of the Annual General Meeting.

**Annual Report** means the Company's Annual Report for the year ended 30 June 2020 containing the Financial Report, the Directors' Report and the Auditors Report.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**ASX** means ASX Limited (ACN 000 943 377) or the Australian Securities Exchange, as appropriate.

**Auditor's Report** means the auditor's report on the Financial Report.

**August Placement** has the meaning given in Section 6.1.

**August Placement Shares** has the meaning given in Section 6.1.

**AWST** means Australian Western Standard Time.

**Board** means the Company's board of Directors.

**Chair** means the chair of the AGM.

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

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

**Company or Strandline** means Strandline Resources Limited (ACN 090 603 642).

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

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

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which accompanies and forms part of the Notice of Meeting.

**February Placement** has the meaning given in Section 5.1.

**February Placement Shares** has the meaning given in Section 5.1.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Glossary** means the glossary set out in the Explanatory Memorandum.

**Key Management Personnel** has the same meaning as in the Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company,

directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**KPI** has the meaning given in Section 8.1

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

**Listing Rule 7.1A Mandate** has the meaning given in Section 6.2.

**Listing Rule 7.1A Mandate Expiry Date** has the meaning given in Section 6.2.

**LTI Plan** means the Company's Long Term Incentive Plan.

**Managing Director** means the managing Director of the Company.

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

**Option** means an option to subscribe for and be allotted a Share in the Company.

**Performance Right** or **PR** means a right to be issued, for no consideration, a fully paid ordinary share in the capital of the Company upon the satisfaction of specified performance conditions.

**Placement** and **Placement Shares** each have the meaning given in Section 5.1.

**Proposed Constitution** has the meaning given in Section 11.1.

**Proxy Form** means the proxy form attached to the Notice of Meeting.

**Related Party** has the meaning given in section 228 of the Corporations Act.

**Remuneration Report** means the remuneration report which is contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice of Meeting.

**Restriction Period** means the period during which a Share issued under the Plan cannot be transferred or otherwise dealt with Rule 8.1 of the Plan.

**Schedule** means a schedule to this Notice.

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a registered holder of a Share.

**Share Registrar** means Computershare Investor Services Pty Ltd (ACN 000 937 879).

**STI Plan** means the Company's Short Term Incentive Plan.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**TSR** has the meaning given in Section 9.2.

**VWAP** means volume weighted average price.

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## SCHEDULE 1 – MATERIAL TERMS OF STI PLAN

A summary of the main provisions of the Plan is set out below:

- (a) the Board may determine which Company employees (which includes any Directors who are also full time employees) and contractors are entitled to participate in the Plan and the extent of their participation;
- (b) the Board will set key performance indicators annually for each participant, which will include important financial and non-financial strategic performance-related targets;
- (c) the Board will review the performance of participants annually in meeting the key performance indicators applicable to them for that relevant year and will determine their entitlement to any bonus under the Plan;
- (d) a minimum percentage of that bonus payment (as determined by the Board) must be taken in cash and the balance will, subject to the terms and conditions of the Plan, applicable law and the Listing Rules, be available to be taken as Shares at a deemed issue price per Share determined by the Board. The Board will, in notifying participants as to their bonus entitlements and providing the above information, be deemed to have made an offer to each such participant to subscribe for up to the maximum number of Shares calculated by multiplying the deemed issue price per Share by the balance of the relevant bonus payment (once the minimum cash payment has been subtracted). The participant may then elect the extent to which it wishes to accept that offer and take Shares (as opposed to cash) by way of bonus payment. The relevant cash bonus payment (and, if applicable, issue of Shares) under the Plan will occur by the 15th of August in the relevant calendar year in which the bonus is payable;
- (e) the Board may offer Shares to any eligible person at the time and on the terms the Board considers appropriate however, under the Listing Rules no Shares may be issued to Directors of the Company, whether under the Plan or otherwise, without prior shareholder approval;
- (f) all Shares issued under the Plan will rank equally in all respects with the existing fully paid ordinary shares in the Company and, in particular, entitle holders to participate fully in dividends declared by the Company after the date of issue and all issues of securities made or offered pro-rata to holders of shares;
- (g) the Company will apply for official quotation of the Shares immediately on issue and will issue, where required to enable Shares to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will use reasonable endeavours to prepare and lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any Restriction Period);
- (h) the Board may determine that, upon a change of control event, a participant is entitled to receive a payment under the Plan which corresponds to the level to which the Board considers the relevant annual key performance indicators for the year in question had by that time been achieved; and
- (i) the Board may amend, terminate or suspend the Plan at any time.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PRs

Subject to Shareholder approval, the PRs will be granted on the following terms:

- (a) A person who accepts an offer of PRs (the ‘holder’), will not pay any consideration for the grant of the PRs.
- (b) Each PR entitles the holder to be issued with one Share upon vesting of that PR.
- (c) PRs may be issued to a nominee of the holder, subject to approval by the Board in its absolute discretion.
- (d) PRs will only vest if the performance conditions, as specified in Section 9.2, are satisfied on or before the applicable vesting date.
- (e) The holder of vested PRs will be issued with a corresponding number of Shares without being required to pay any consideration.
- (f) PRs will expire 3 years from the grant date (‘Expiry Date’).
- (g) PRs lapse on the earlier to occur of:
  - (i) where performance conditions have not been satisfied on or before the vesting date;
  - (ii) if a holder ceases to be a Director or employee of the Company;
  - (iii) the day the Board makes a determination that PRs lapse due to breach, fraud or dishonesty; and
  - (iv) the Expiry Date.
- (h) Unvested PRs will become vested PRs upon a change of control event, which is defined as:
  - (i) immediately upon a takeover bid (as defined in the Corporations Act) to acquire any Shares becoming or being declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid; or
  - (ii) a person, or a group of associated persons:
    - becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or
    - gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company; or
  - (iii) immediately upon approval of a merger by way of scheme of arrangement under the Corporations Act by the Court under section 411(4)(b) of the Corporations Act.
- (i) A PR does not confer on the holder the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (j) All Shares issued upon exercise of the PRs will rank equally in all respects with Shares previously issued. The Company will apply for official quotation or listing of those Shares on ASX.
- (k) The Company will not apply for official quotation of any PRs.
- (l) The PRs are not transferable except if the holder dies.
- (m) If the Company makes a bonus issue of Shares pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been registered in the name of the holder for a PR held by the holder before the record date for determining entitlements to the bonus issue, then the number of Shares to which the PR relates will be increased by the number of Shares which the holder would have received under the bonus issue if the PR had vested immediately prior to the record date for the bonus issue.
- (n) On a reorganisation of the Company’s capital, the rights of the holder will be changed to the extent necessary to comply with the Listing Rules.

STA

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 723 670 (within Australia)  
+61 3 9946 4435 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00 AM (AWST) on Sunday, 8 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Strandline Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Strandline Resources Limited to be held at the London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, WA 6000 on Tuesday, 10 November 2020 at 11:00 AM (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 7, 8, 9, 10 and 11 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 7, 8, 9, 10 and 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 7, 8, 9, 10 and 11 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





**STRANDLINE**  
resources limited

12 October 2020

London House  
Level 9, 216 St Georges Tce  
Perth WA 6000

Dear Shareholder

**P** +61 8 9226 3130  
**E** enquiries@strandline.com.au  
ACN 090 603 642

## **2020 ANNUAL GENERAL MEETING NOTICE AND PROXY FORM**

Strandline Resources Limited (ASX: STA) (“Strandline” or the “Company”) is convening its 2020 Annual General Meeting of Shareholders on Tuesday, 10 November 2020 at 11:00am (AWST) (“Meeting”).

If you would like to attend the Meeting, it will be held at the London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the Company will not be dispatching physical copies of the Notice of Annual General Meeting (“Notice”). Instead, a copy of the Notice is attached and available at the Company website [www.strandline.com.au](http://www.strandline.com.au) and should be read in its entirety prior to voting.

Shareholders are encouraged to participate in voting. To vote by proxy, please complete and sign your personalised Proxy Form and return it by the time and in accordance with the instructions set out on the Proxy Form. Alternatively, you can vote online, or in person by attending the Meeting at the time, date and place set out above.

Proxy Forms and online votes must be received by 11:00am (AWST) on Sunday, 8 November 2020.

If COVID-19 social distancing restrictions change prior to the Meeting, the Company will advise via an ASX announcement as to any changes in the manner in which the Meeting will be held and as to whether shareholders will still be able to attend in person and participate in the usual way.

Should you wish to discuss the matters in this Notice please do not hesitate to contact me on +61 8 92263130.

Yours faithfully

Flavio Garofalo  
**COMPANY SECRETARY**

**STRANDLINE RESOURCES LIMITED**