



STRANDLINE
resources limited

ABN 32 090 603 642

STRANDLINE RESOURCES LIMITED
Notice of Annual General Meeting
and
Explanatory Memorandum

Date of Meeting

Thursday 28 November 2019

Time of Meeting

12.30pm (WST)

Place of Meeting

Offices of BDO Australia
38 Station Street
Subiaco Western Australia 6008

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

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 offices of **BDO Australia, 38 Station Street, Subiaco, Western Australia**, on **Thursday 28 November 2019 at 12.30pm (WST)**.

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

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 2019 which are contained within the Annual Report.

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

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 2019 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 member.

However, a person 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 person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; or
- (b) the person 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.

2. Resolution 2 – Re-election of Mr John Russell Hodder 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 John Russell Hodder, who retires by rotation and is eligible for re-election as a Director, is so re-elected.'

3. Resolution 3 – Ratification of issue of 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 16,739,855 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 an associate of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Ratification of issue of 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 29,260,145 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 an associate of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of Short Term Incentive Plan

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

*‘That the rules of the Company’s Short Term Incentive Plan (**Plan**), be refreshed such that the rules attached to this Notice at Schedule at Schedule 3 will form the rules of the Plan from the date of this Meeting and that approval be given for the purposes of Listing Rule 7.2 Exception 9 (and for all other purposes) for the issue of Shares under the Plan (as amended by this Resolution) 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 any Director (except one who is ineligible to participate in any employee incentive plan in relation to the Company) or any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – 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, subject to Resolution 5 being approved by Shareholders, for the purpose of Listing Rule 10.14 and for all other purposes, approval be given for the issue under the 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 any Director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) including Mr Graham, or any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

7. Resolution 7– 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, subject to Resolution 5 being approved by Shareholders, 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 any Director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) including Mr Watson, or any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

8. Resolution 8 – Approval of issue of Shares to Mr Peter Richard Watson

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

'That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 344,424 Shares to Mr Peter Richard Watson (or his nominee) on the terms and conditions 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 Mr Watson (or his nominee) or an associate of Mr Watson (or his nominee).

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. Resolution 9 – 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 3,100,775 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 any Director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) including Mr Graham or any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

10. Resolution 10 – 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 840,349 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 any Director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) including Mr Watson or any associate of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

11. Resolution 11 – Issue of Options to Non-Executive Director, Mr Didier Murcia

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

'That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,500,000 Options to Mr Didier Murcia (or his nominee) 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 Mr Murcia (or his nominee) or an associate of Mr Murcia (or his nominee).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. Resolution 12 – Issue of Options to Non-Executive Director, Mr John Russell Hodder

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

'That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr John Russell Hodder (or his nominee) 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 Mr Hodder (or his nominee), or an associate of Mr Hodder (or his nominee).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. Resolution 13 – Issue of Options to Non-Executive Director, Mr Ernest Thomas Eadie

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

'That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options to Mr Ernest Thomas Eadie (or his nominee) 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 Mr Eadie (or his nominee), or an associate of Mr Eadie (or his nominee).

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. Resolution 14 – 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 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 of Equity Securities under this Resolution, except a benefit solely by reason of being a holder of ordinary securities, if the Resolution is passed and any associates of that person (or those persons).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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.

By order of the Board

22 October 2019



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.

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 14 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 14 is a **special resolution** 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 12:30pm (WST) on 26 November 2019.

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 12.15pm (WST) 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 12:30pm (WST) on 26 November 2019** (Proxy Forms received after that time will be invalid). Proxy Forms must be received before that time via any of the following methods:

Online:	www.investorvote.com.au
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 12:30pm (WST) on 26 November 2019 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 Phillip Murdoch of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2019 (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 12:30pm (WST) on 26 November 2019.

By Post:	PO Box 1217, West Perth, Western Australia 6872
By Facsimile (inside Australia):	(08) 9485 2070
By Facsimile (outside Australia):	+61 8 9485 2070
In person:	35 Richardson Street, West Perth, Western Australia 6005

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 2019. 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 2019 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.

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 Thursday, 28 November 2019.

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.

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.

2. Resolution 1 - Adoption of the Remuneration Report

The Annual Report for the year ended 30 June 2019 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 18 to 24), 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 (**Second Strike**), 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 2018 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 23 November 2018. 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.**

3. Resolution 2 – Election of Director

3.1 Re-election of Mr John Russell Hodder

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 Hodder 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 Hodder was appointed as a Director of the Company on 8 June 2016, a position he has continued to hold since that time. With effect from the conclusion of this AGM, and subject to Resolution 2 being passed, Mr Hodder will remain a Director.

Mr Hodder is a geologist, director and fund manager with over 20 years' experience in the resources industry. He is the Principal of mining focused Tembo Resource Fund. He has served as a director of a number of junior mining companies and has significant experience of operating and investing in Africa. He established the Commonwealth Development Corporation (CDC), a mining, oil and gas investment vehicle in 1995 and was responsible for its activities for eight years. Mr Hodder is also a member of the Company's Remuneration Committee and Chairman of the Audit & Risk Committee. He is currently a director in Paladin Energy Limited.

The Board considers Mr Hodder to be a non-independent Director.

The Board (with the exception of Mr Hodder) recommends Shareholders vote in favour of Resolution 2.

4. Resolutions 3 and 4 – Ratification of Placement Shares

4.1 Background

On 24 May 2019, the Company announced a capital raising through the issue of 46,000,000 Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.12 per Placement Share to raise a total of approximately \$5,500,000 (before costs) (**Placement**).

The Placement Shares were issued on 3 June 2019 under the Company's Listing Rule 7.1 and 7.1A capacity as follows:

- 16,739,855 Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 3; and
- 29,260,145 Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 4.

Funds raised from the 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).

4.2 Listing Rule 7.1

Subject to certain exceptions, Listing Rule 7.1 prevents a company in any 12 month period from issuing or agreeing to issue new Equity Securities, or other securities with rights of conversion to Equity Securities (such as an Option), which amount to more than 15% of the Company's ordinary securities on issue, without shareholder approval.

Resolution 3 – Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach Listing Rule 7.1. The effect of such ratification is to restore

a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1.

The Company confirms the issue of the Placement Shares the subject of Resolution 3 did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Placement Shares the subject of Resolution 3 pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 Resolution 4 – Listing Rule 7.1A

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at their annual general meeting, to have the capacity to issue or agree to issue a number of Equity Securities during the subsequent 12 month period which represents 10% of the number of fully paid ordinary securities on issue as at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

Approval for the 10% Placement Capacity may only be obtained at the Company's annual general meeting. The Company previously received Shareholder approval for the 10% Placement Capacity at the Company's annual general meeting held on 23 November 2018.

4.4 Resolution 4 – Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1A provided the issue did not breach Listing Rule 7.1A. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1A.

The Company confirms the issue of the Placement Shares the subject of Resolution 4 did not breach Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in Listing Rule 7.1; and
- (b) are counted in variable "E",

until their issue has been ratified under Listing Rule 7.4 (and provided the previous issue did not breach Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue of the Placement Shares the subject of Resolution 4, the base figure (i.e. variable "A") on which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

4.5 Technical information required by Listing Rule 7.4

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolutions 3 and 4:

- (a) on 3 June 2019 the Company issued 46,000,000 Placement Shares on the following basis:
 - (i) 16,739,855 Placement Shares were issued pursuant to Listing Rule 7.1; and
 - (ii) 29,260,145 Placement Shares were issued pursuant to Listing Rule 7.1A;
- (b) The Placement Shares were issued for \$0.12 each, raising a total of approximately \$5,500,000 (before costs);
- (c) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the 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;
- (e) the Placement Shares were issued 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

- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolutions 3 and 4.

4.6 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 3 and 4.

5. Resolution 5 – Approval of Short-Term Incentive Plan

5.1 Background

The Directors of the Company have resolved to refresh the terms of the Short-Term Incentive Plan (**Plan**). The purpose of the Plan is to assist in the recruitment, reward, retention and motivation of executive-level employees of the Company and encourage achievement of short term strategic business objectives and ownership of shares in the Company by those employees.

Shareholder approval is sought so that any issue of Equity Securities under the Plan can fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purpose of Listing Rule 7.2 Exception 9(b), which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities.

Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of the Meeting (i.e. issues of Equity Securities under the Plan will for a period of 3 years be excluded from the calculations in determining the number of securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1).

The rules of the Plan are attached to and form part of this Explanatory Memorandum.

5.2 Listing Rule 7.2 – Summary of the 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.

5.3 Listing Rule 7.2 – Number of securities issued under the Plan since the last approval

The Company has issued 4,989,241 Shares under the Plan since it was last approved by Shareholders on 24 November 2016.

5.4 Listing Rule 7.2 – Voting Exclusion Statement

A voting exclusion statement has been included in the Notice for the purposes of Resolution 5.

5.5 Directors' Recommendation

All the Directors recommend that Shareholders vote in favour of Resolution 5, with the exception of Mr Graham and Mr Watson who each abstain from making a recommendation in that regard on the basis that they are liable to participate in the Plan if it is approved by Shareholders.

6. Resolutions 6 and 7 – Approval of Issue of Shares to Mr Luke Edward Graham and Mr Peter Richard Watson under the Short Term Incentive Plan

6.1 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 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 2020 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 2019, 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 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 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 Plan is an amount equal to 35% of his annual base salary, which is currently \$165,000 (inclusive of superannuation). Accordingly, the maximum annual amount to which Mr Watson would currently be eligible to receive under the Plan is \$57,750 (inclusive of superannuation).

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

to receive the payment:

- (a) in cash only; or
- (b) in a combination of cash and Shares in the Company (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 Plan, Mr Watson may elect to receive the payment:

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

In each relevant year to which Messrs Graham and Watson become entitled to a bonus under the 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 6 and 7 seek Shareholder approval to the grant of Shares to Mr Graham and Mr Watson pursuant to the Plan, subject to achievement of applicable KPIs and otherwise on the basis explained in section 6.4 below. Resolutions 6 and 7 are in each case subject to and conditional on Shareholders having approved Resolution 5.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the giving of financial benefits to related parties of a public company (the definition of which includes directors of the public company) unless an exception applies. The issue of securities to a Director or their nominee constitutes the giving of a financial benefit to a related party of the Company for the purposes of Chapter 2E.

The Board (other than Messrs Graham and Watson, to whom Resolutions 6 and 7 relate) has considered the proposed grant of cash and non-cash benefits to Messrs Graham and Watson pursuant to the 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 Chapter 2E 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 6 and 7.

6.3 Listing Rule 10.14

Listing Rule 10.14 prohibits a company from allowing a director to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition. 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 for each of Messrs Graham and Watson to be issued with Shares under the 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 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 either Listing Rule 10.15 or 10.15A, each of which specifies particular information to be provided in connection with the approval.

6.4 Technical information provided in accordance with Listing Rule 10.15A as regards to Shares to be issued to Messrs Graham and Mr Watson under the Plan

For the purposes of Listing Rule 10.15A, the following information is provided in connection with Resolutions 6 and 7:

- (a) 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 Plan relates.

- (b) The issue price of the Shares will be nil and the deemed price per Share, as set out in paragraph (a) above.
- (c) Subject to Shareholder approval of Resolutions 6 and 7, the Shares to which either Mr Graham or Mr Watson (as applicable) may become entitled under the 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 2021.
- (d) Persons who have previously received securities under the Plan as at the date of this Notice include Mr Graham on 25 August 2017 (1,3750,000 @ \$0.06 each), 15 August 2018 (581,082 @ \$0.142 each) and on 15 August 2019 (729,847 shares @ \$0.1377 each).
- (e) Messrs Graham and Watson are the only persons to whom Listing Rule 10.14 relates who are currently entitled to participate in the Plan.
- (f) A voting exclusion statement is included in the Notice.
- (g) No loan arrangements apply in relation to the acquisition.
- (h) Details of any shares issued under the Plan to Messrs Graham or Watson will be published in each annual report of the Company relating to the period in which the Shares have been issued, and such annual report will state that approval for the issue of the Shares was obtained under Listing Rule 10.14.
- (i) Any additional persons who become entitled to participate in the Plan after Resolutions 6 and 7 are approved and who are not named in this Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.

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 6 or 7.

7. Resolution 8 – Approval to issue Shares to Mr Peter Richard Watson

7.1 Background

Mr Watson joined the Company's management team on 13 December 2017. In that role, he was eligible to receive a short-term incentive, subject to satisfaction of various conditions and milestones.

Following the conclusion of FY19, the Board determined on 15 August 2019 that Mr Watson was entitled to receive a short-term incentive payment of \$47,427, which could be satisfied through a payment of cash or an issue of Shares (or a combination of cash and Shares) to Mr Watson. Mr Watson has elected to have the short-term incentive payment for FY19 satisfied by way of the issue of 344,424 Shares to him (or his nominee) at a deemed issue price of \$0.1377 per Share.

During FY19, Mr Watson became an Executive Director of the Company (on 10 September 2018). Accordingly, the Board was unable to issue the Shares set out above to Mr Watson (or his nominee) following the completion of FY19 without first obtaining Shareholder approval under Listing Rule 10.11. That approval has not been sought until now. The purpose of Resolution 8 is therefore to seek Shareholder approval to issue 344,424 Shares to Mr Watson.

Under the Company's current circumstances, it is considered that the issue of Equity Securities (including Shares) as short term incentives are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation. The proposed issue of Shares to Mr Watson the subject of Resolution 8 accurately reflects Mr Watson's continued strong performance with the Company and aligns with the overall remuneration package agreed as between the Company and Mr Watson for FY19. In addition, the Company considers the issue of Shares the subject of Resolution 8 will align the interests of Mr Watson with those of Shareholders.

7.2 Listing Rule 10.11

Listing Rule 10.11 provides that, unless a specified exception applies, an entity must not issue or agree to issue Equity Securities to a related party without the prior approval of the entity's shareholders. Mr Watson is a related party of the Company by virtue of being a Director. The effect of passing Resolution 8 will be to allow the Company to issue 344,424 Shares to Mr Watson (or his nominee) in accordance with Listing Rule 10.11.

7.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of Shares constitutes giving a financial benefit. Mr Watson is a related party of the Company by virtue of being a Director.

The Board (other than Mr Watson, who has a material interest in Resolution 8) has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances.

7.4 Listing Rule 10.13

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolution 8:

- (a) the Shares will be issued to Mr Peter Richard Watson (or his nominee);
- (b) the number of Shares to be issued is 344,424;
- (c) the Company will issue the Shares as soon as practicable, but in any event no later than one month after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) the Shares will be issued for nil consideration, as they will be issued as part of the remuneration package for Mr Watson;

- (e) the Shares will be fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (f) no funds will be raised by the issue of the Shares; and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 8.

7.5 Directors' Recommendation

All the Directors (except Mr Watson, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 8.

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

8.1 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) 3,100,775 PRs to Mr Graham (or his nominee); and
- (b) 840,349 PRs to Mr Watson (or his nominee).

A summary of the terms and conditions applicable to the PRs the subject of Resolutions 9 and 10 is set out at Schedule 2.

8.2 Vesting criteria

The PRs under Resolutions 9 and 10 are intended to be granted in one tranche, 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 2020 – 30 June 2022	For Category A TSR performance – nil For Category B TSR performance – 1,550,388 For Category C TSR performance – 3,100,775	1 June 2022 – 31 July 2022	15 August 2022
Peter Richard Watson	1 July 2020 – 30 June 2022	For Category A TSR performance – nil For Category B TSR performance – 420,174 For Category C TSR performance – 840,349	1 June 2022 – 31 July 2022	15 August 2022

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% 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) 3,100,775 PRs be liable to vest (in the case of Mr Graham); and
- (b) 840,349 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 either Listing Rule 10.15 or 10.15A, each of which specifies particular information to be provided in connection with the approval.

8.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out at Section 6.2. The issue of the PRs constitutes giving a financial benefit. Messrs Graham and Watson are related parties of the Company by virtue of being Directors.

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 9 and 10 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.

Under section 211 of the Corporations Act, the Company is not required to obtain the approval of Shareholders if the financial benefit is remuneration which it would be reasonable to give in the circumstances of the Company and the related party. The Board (other than Messrs Graham and Watson who have a material interest in Resolutions 9 and 10 respectively) has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances

8.4 Listing Rule 10.14

Listing Rule 10.14 prohibits a company from allowing a director to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition. 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 for each of Messrs Graham and Watson to be issued with PRs under the Long Term Incentive 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 Shares to Messrs Graham or Watson under the Long Term Incentive 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 either Listing Rule 10.15 or 10.15A, each of which specifies particular information to be provided in connection with the approval.

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

For the purposes of Listing Rule 10.15A, the following information is provided in connection with Resolutions 9 and 10:

- (a) 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 3,100,775 Shares per year in respect of Mr Graham or 840,349 Shares per year in respect of Mr Watson;

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 PR relates.

- (b) the PRs will be granted to:

- (i) Mr Luke Edward Graham (or his nominee); and
(ii) Mr Peter Richard Watson (or his nominee);

- (c) the maximum number of PRs to be granted is 3,941,124, being:

- (i) 3,100,775 PRs to Mr Graham (or his nominee); and
(ii) 840,349 PRs to Mr Watson (or his nominee);

- (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) no funds will be raised by the issue of the PRs; and
- (h) a voting exclusion statement is included in the Notice.
- (i) 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 Mr Watson on 20 February 2018 (861,400 PRs), 30 November 2018 (722,700 PRs).
- (j) Messrs Graham and Watson are the only persons to whom Listing Rule 10.14 relates who are currently entitled to participate in the PRs.
- (k) No loan arrangements apply in relation to the acquisition.
- (l) Details of any shares issued pursuant to PRs to Messrs Graham or Watson will be published in each annual report of the Company relating to the period in which the Shares have been issued, and such annual report will state that approval for the issue of the Shares was obtained under Listing Rule 10.14.
- (m) Any additional persons who become entitled to participate in PRs after Resolutions 9 and 10 are approved and who are not named in this Notice will not participate until Shareholder approval is obtained under Listing Rule 10.14.

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 9 or 10.

8.6 Directors' Recommendation

All the Directors (except Mr Graham, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 9. All the Directors (except Mr Watson, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 10.

9. Resolutions 11, 12 and 13 – Issue of Options to Non-Executive Directors

9.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 10,500,000 Options (**Director Options**) to Directors in the following apportionments:

- (a) Resolution 11 seeks Shareholder approval for the issue of 4,500,000 Director Options to Mr Didier Murcia (or his nominee);
- (b) Resolution 12 seeks Shareholder approval for the issue of 3,000,000 Director Options to Mr John Russell Hodder (or his nominee);
- (c) Resolution 13 seeks Shareholder approval for the issue of 3,000,000 Director Options to Mr Thomas Eadie (or his nominee).

The Director Options will be issued in tranches. The relevant exercise price, vesting price, expiry date and number of Director Options for each tranche is as follows:

Tranche	No. of Director Options to be issued to each Director (or their nominee) under applicable Tranche	Exercise Price	Vesting Date	Expiry Date
1	<ul style="list-style-type: none"> • Mr Didier Murcia: 1,500,000 Director Options • Mr John Russell Hodder: 1,000,000 Director Options • Mr Thomas Eadie: 1,000,000 Director Options 	\$0.18 per Director Option or 40% above the average 60-day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2021

Tranche	No. of Director Options to be issued to each Director (or their nominee) under applicable Tranche	Exercise Price	Vesting Date	Expiry Date
2	<ul style="list-style-type: none"> • Mr Didier Murcia: 1,500,000 Director Options • Mr John Russell Hodder: 1,000,000 Director Options • Mr Thomas Eadie: 1,000,000 Director Options 	\$0.22 per Director Option or 60% above the average 60-day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2022
3	<ul style="list-style-type: none"> • Mr Didier Murcia: 1,500,000 Director Options • Mr John Russell Hodder: 1,000,000 Director Options • Mr Thomas Eadie: 1,000,000 Director Options 	\$0.26 per Director Option or 80% above the average 60-day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2023

9.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E is set out in Section 6.2 above. The issue of Director Options to Messrs Murcia, Hodder and Eadie (or their nominees) constitutes giving a financial benefit to a related party of the Company. Messrs Murcia, Hodder and Eadie are each a related party of the Company by virtue of being Directors.

The Board (other than Messrs Murcia, Hodder and Eadie, who have a material interest in Resolutions 11, 12 and 13 respectively) has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances.

9.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 7.2 above. Each of Messrs Murcia, Hodder and Eadie are a related parties of the Company by virtue of being Directors. The effect of passing Resolutions 11, 12 and 13 will be to allow the Company to issue the Director Options to Messrs Murcia, Hodder and Eadie (or their nominees) in accordance with Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options the subject of Resolutions 11, 12 and 13, as approval is being sought under Listing Rule 10.11 instead. Accordingly, the issue of Director Options the subject of Resolutions 11, 12 and 13 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

9.4 Listing Rule 10.13

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolutions 11, 12 and 13:

- (a) the Director Options will be issued to Messrs Murcia, Hodder and Eadie (or their nominees);
- (b) the maximum number of Director Options to be issued is 10,500,000, being:
 - (i) 4,500,000 Director Options to Mr Murcia (or his nominee);
 - (ii) 3,000,000 Director Options to Mr Hodder (or his nominee); and
 - (iii) 3,000,000 Director Options to Mr Eadie (or his nominee);

- (c) The Director Options will be issued 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);
- (d) the Director Options will be issued for nil consideration as they will be issued as part of the remuneration package for Messrs Murcia, Hodder and Eadie and otherwise on the terms and conditions in Schedule 1;
- (e) no funds will be raised by the issue of the Director Options; and
- (f) a voting exclusion statement is included in the Notice.

9.5 Directors' Recommendation

All the Directors (except Mr Murcia, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 11. All the Directors (except Mr Hodder, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 12. All the Directors (except Mr Eadie, to whom the Resolution relates) recommend that Shareholders vote in favour of Resolution 13.

10. Resolution 14 – Approval of Additional 10% Placement Facility

10.1 Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the time of this Notice of Meeting and expects to be so at the date of the Annual General Meeting.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 10.2(c) below).

The Company intends to use the consideration from any Shares issued under the 10% Placement Facility to raise funds for the acquisition of new assets (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

The Board believes the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. Accordingly, the Directors of the Company believe Resolution 14 is in the best interests of the Company and unanimously recommend Shareholders vote in favour of this Resolution.

10.2 Requirements of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) 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 Performance Rights.

(c) **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 is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

- (i) plus, the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus, the number of partly paid ordinary shares that became fully paid in the 12 months;
- (iii) plus, the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
- (iv) less the number of fully paid ordinary shares cancelled in the 12 months.

Note: A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) **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 372,153,372 Shares. If Resolution 14 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 55,823,005 Equity Securities under Listing Rule 7.1; and
- (ii) 37,215,337 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(c) above).

(e) **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; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

10.3 Effect of Resolution 14

The effect of Resolution 14 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 14 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).

10.4 Specific information required by Listing Rule 7.3A

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

- (a) The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of the Company's 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; or
 - (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 14 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:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.
- (c) 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. The table also shows:
 - (i) 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 entitlements 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
 - (ii) 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		
		\$0.05 50% decrease in Issue Price	\$0.10 Current Market/ Issue Price	\$0.15 50% increase in Issue Price
Current Variable A 372,153,372 Shares	10% Voting Dilution	37,215,337 shares	37,215,337 shares	37,215,337 shares
	Funds raised	\$1,860,767	\$3,721,534	\$5,582,301
50% increase in current Variable A 558,230,058 Shares	10% Voting Dilution	55,823,006 shares	55,823,006 shares	55,823,006 shares
	Funds raised	\$2,791,150	\$5,582,301	\$8,373,451
100% increase in current Variable A 744,306,744 Shares	10% Voting Dilution	74,430,674 shares	74,430,674 shares	74,430.674 shares
	Funds raised	\$3,721,534	\$7,443,067	\$11,164,601

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 or Performance Rights 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.
 - (vii) The issue price is \$0.10, being the closing price of the Shares on ASX on 21 October 2019.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 14 for the issue of the Equity Securities will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration to raise funds for the acquisition of new assets (including the expenses associated with any such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital; or
 - (ii) non-cash consideration for acquisition of new assets (including the expenses associated with any such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (i) the methods of raising funds available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (h) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
- (i) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 23 November 2018. 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 53,268,013 Equity Securities during the 12 months preceding the date of this Meeting, representing approximately 10% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the date of this Meeting, being 28 November 2019. 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
30/11/2018	2,666,667	Performance Rights	Note (i)	Nil	N/A	N/A	Nil
30/11/2018	722,700	Performance Rights	Note (ii)	Nil	N/A	N/A	Nil
24/5/2019	46,000,000	Ordinary Shares	Note (iv)	\$0.12	\$0.13	Discount of 8%	\$5,520,000
15/8/2019	729,847	Ordinary Shares	Note (v)	\$0.1377	\$0.11	Premium of 25%	N/A
15/8/2019	1,075,599	Ordinary Shares	Note (vi)	\$0.1377	\$0.11	Premium of 25%	N/A
15/8/2019	2,073,200	Performance Rights	Note (iii)	Nil	N/A	N/A	Nil
TOTAL	53,268,013						

Notes:

- (i) Issue of Performance Rights to Managing Director, Luke Edward Graham under the Company's Long Term Incentive Plan which was approved by Shareholders on 28 November 2017 for nil consideration. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 22 October 2019 of \$0.10 per Share, is \$266,666.
- (ii) Issue of Performance Rights to Executive Director, Peter Richard Watson under the Company's Long Term Incentive Plan which was approved by Shareholders on 28 November 2017 for nil consideration. The current value of the non-cash consideration, based on the closing price of the Shares on ASX on 22 October 2019 of \$0.10 per Share, is \$72,270.
- (iii) Issue of Performance Rights to employees under the Company's Long Term Incentive Plan which was approved by Shareholders on 28 November 2017 for nil consideration. The current value of the non-cash consideration, based on the closing price of the Shares on the ASX on 22 October 2019 of \$0.10 per Share, is \$207,320.

- (iv) 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 \$5.52 million raised, \$1.20 million has been spent on the exploration and development activities on the Company's projects in Australia and Tanzania, with \$4.32 million remaining to be used. The remaining funds will also be used to fund exploration and development activities in Australia and Tanzania.
 - (v) Issue of Shares to Managing Director, Luke Edward Graham pursuant to participation in the Company's Short Term Incentive Plan. The deemed issue price was \$0.1377 per Share, valuing the Shares issued at approximately \$100,500. The current value of the non-cash consideration, based on the closing price of the Shares on the ASX on 22 October 2019 of \$0.10 per Share, is \$72,984.
 - (vi) Issue of Shares to employees pursuant to participation in the Company's Short Term Incentive Plan. The deemed issue price was \$0.1377 per Share, valuing the Shares issued at approximately \$148,110. The current value of the non-cash consideration, based on the closing price of the Shares on the ASX on 22 October 2019 of \$0.10 per Share, is \$107,560.
- (j) A voting exclusion statement is included in the Notice. 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.

GLOSSARY

In this document:

\$ means Australian dollars.

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

10% Placement Period has the meaning given in Section 10.2(f).

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 28 November 2019, or any adjournment or postponement of the Annual General Meeting.

Annual Report means the Company's Annual Report for the year ended 30 June 2019 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.

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).

Director Options has the meaning given in Section 9.1.

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.

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.

Listing Rules means the Listing Rules of the ASX.

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 4.1.

Plan means the Company's Short Term Incentive Plan.

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

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).

TSR has the meaning given in Section 8.2.

VWAP means volume weighted average price.

WST means Australian Western Standard Time.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS TO NON-EXECUTIVE DIRECTORS**(a) Entitlement**

Each Director Option entitles the holder (**Optionholder**) to subscribe for one Share upon exercise of the Director Option.

(b) Exercise Price, Vesting Date and Expiry Date

The Director Options will be issued in tranches. The relevant exercise price, vesting date and expiry date of each tranche of Director Options is as follows:

Tranche	No. of Director Options to be issued to each Director (or their nominee) for relevant Tranche	Exercise Price	Vesting Date	Expiry Date
1	<ul style="list-style-type: none">• Mr Didier Murcia: 1,500,000 Director Options• Mr John Russell Hodder: 1,000,000 Director Options• Mr Ernest Thomas: 1,000,000 Director Options	\$0.18 per Director Option or 40% above the average 60 day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2021
2	<ul style="list-style-type: none">• Mr Didier Murcia: 1,500,000 Director Options• Mr John Russell Hodder: 1,000,000 Director Options• Mr Ernest Thomas: 1,000,000 Director Options	\$0.22 per Director Option or 60% above the average 60 day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2022
3	<ul style="list-style-type: none">• Mr Didier Murcia: 1,500,000 Director Options• Mr John Russell Hodder: 1,000,000 Director Options• Mr Ernest Thomas: 1,000,000 Director Options	\$0.26 per Director Option or 80% above the average 60 day VWAP share price at time of grant, whichever is higher	Issue date	28 November 2023

(e) Exercise Period

The exercise period for Director Options will commence when the Director Options have vested on the applicable Vesting Date and will end on the applicable Expiry Date for that Director Option (**Exercise Period**).

(f) Cessation of Employment or Engagement

Where an Optionholder (or, in the case of a nominee Optionholder, the related party Director of that nominee) ceases employment or engagement (as applicable) with the Company, all Director Options that have not been exercised will continue in force and remain exercisable, for a period of 3 months from the date the employment of the Optionholder (or applicable related party Director) ceases their employment or engagement with the Company.

(g) Notice of Exercise

The Director Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Director Option certificate (**Notice of Exercise**) and payment of the

Exercise Price for each Director Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(i) **Exercise Date**

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

(j) **Change of Control Event**

(i) Subject to clause (j)(ii), a **Change of Control Event** occurs where:

- (A) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (B) the Court sanctions under Part 5.1 of the Corporations Act a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (C) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or
- (D) the Company enter into agreements to its main business undertaking or the principal assets (whether or not in the form of shares in the Company) of the Company to a person, or a number of persons, and those agreements become unconditional; or
- (E) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons.

(iii) In the case of clause (j)(i)(D), where the Company agrees to sell or dispose of its main business undertaking or principal assets for cash (**Business Sale**) and the Company decides not to distribute the cash proceeds of the Business Sale to Shareholders, the Company, with the consent of the Optionholder, may cancel or buy- back vested Director Options for a price per Director Option that is equal to the net proceed of the Business Sale divided by the number of Shares on issue, less the Exercise Price.

(iv) The Company shall give written notice of any Change of Control Event to each Optionholder. Upon the giving of any such notice an Optionholder may exercise any of their Director Options within the Exercise Period by delivery to the registered office of the Company or such other address as determined by the Board of:

- (A) a signed Notice of Exercise;
- (B) a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price; and
- (C) the Director Option certificate, or documentary evidence satisfactory to the Board that the Director Option certificate was lost or destroyed.

(k) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Director Options.

If a notice delivered under clause (k)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(l) **Shares issued on exercise**

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

(m) **Reconstruction of capital**

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

(n) **Participation in new issues**

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

(o) **Change in exercise price**

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

(p) **Transferability**

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

(q) **Not quoted**

The Director Options will not be listed for quotation on ASX.

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 8.2, 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.

SCHEDULE 3

STRANDLINE RESOURCES LIMITED
(ACN 090 603 642)
("Company")

SHORT TERM INCENTIVE PLAN

Ref:ECH:4214:007:002

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STRANDLINE RESOURCES LIMITED SHORT TERM INCENTIVE PLAN

The Directors are empowered to operate the Strandline Resources Limited Short Term Incentive Plan (**Plan**) on the following terms and in accordance with the ASX Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Acceptance Notice has the meaning given in Rule 4.6(f), which notice must be substantially the same form as set out in Schedule 2 or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Bonus Entitlement has the meaning given in Rule 4.6(a).

Business Day means those days other than a Saturday, Sunday or public holiday in Western Australia and any other day which the ASX shall declare and publish is not a business day.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Closing Date has the meaning given in Rule 4.6(f).

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

Corporations Act means the *Corporations Act 2001 (Cth)*, as amended from time to time.

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Eligible Participant means:

- (a) a full or part time employee of any Group Company (which for the avoidance of doubt includes a Director of a Group Company engaged in a full time executive capacity);
- (b) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (c) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (a) or (b) above,

who is declared by the Board to be eligible to receive the issue of Shares under the Plan.

Entitlement Confirmation Notice has the meaning given in Rule 4.5.

Financial Year means the 12 month period commencing on 1 July in a particular calendar year and finishing on 30 June in the immediately subsequent calendar year.

Group means the Company and each Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

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

Issue Date means, in relation to a Share, the date on which the Share is issued.

KPIs means key performance indicators to be established by the Board with respect to a particular Eligible Participant for a particular Financial Year, the level of achievement of which will be relevant to the determination of the

entitlement (if any) of such Eligible Participant to receive a bonus payment under this Plan as regards that Financial Year.

Maximum Bonus Entitlement has the meaning given in Rule 4.4(a).

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the trustee.

Notification Event means any of the events specified in Rules 10.1 or 10.2.

Offer means an offer made to an Eligible Participant to be granted one or more Shares under the Plan.

Participant means an Eligible Participant to whom Shares have been granted under the Plan or, if Rule 4.3 applies, a Nominee of the Eligible Participant to whom Shares have been granted under the Plan.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 11.

Plan Participation Notice has the meaning given in Rule 4.1(a).

Plan Participation Rights has the meaning given in Rule 4.2.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) the Group no longer requires the position held by the Relevant Person to be held by anyone.

Relevant Period means, as regards a Financial Year to which a Plan Participation Notice relates, the period commencing on 1 June in that Financial Year and ending on 31 July in that same calendar year, unless another period is specified by the Board in the relevant Plan Participation Notice [or Entitlement Confirmation Notice].

Relevant Person means:

- (a) for an Eligible Participant, that person; and
- (b) for a Nominee of an Eligible Participant, that Eligible Participant.

Remuneration means, as regards an Eligible Participant:

- (a) if an employee of the Group (including an executive director), the Eligible Participant's total gross remuneration, including superannuation but excluding the value of additional benefits, such as, without limitation, motor vehicles, phone, telecommunications allowance, medical or other insurance or other benefits during an applicable Financial Year; or
- (b) in all other circumstances, the total payments made by the Group to the Eligible Participant, excluding GST and reimbursement of expenses incurred by them and reimbursed by the Company, during an applicable Financial Year.

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

Restricted Shares means Shares issued under the Plan the Board has determined are subject to a Restriction Period.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Severe Financial Hardship means the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total and Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which they are reasonably qualified by education, training or experience.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;
- (b) any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;
- (c) the singular includes the plural and vice versa;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars; and
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and

- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution.
- (c) Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Shares shall survive termination of the Plan until fully satisfied and discharged.

4. PARTICIPATION

4.1 Plan Participation Notice

- (a) The Board may, from time to time, in its absolute discretion, give notice in writing to any Eligible Participant (including an Eligible Participant who has previously received a Plan Participation Notice) confirming that the Board has decided that such Eligible Participant is eligible to participate in this Plan with respect to a particular Financial Year, upon the terms set out in this Plan and upon such additional terms and conditions as the Board determines ("**Plan Participation Notice**").
- (a) In exercising that discretion, the Board may have regard to the following (without limitation):
- (i) the Eligible Participant's length of service with the Group;
 - (ii) the contribution made by the Eligible Participant to the Group;
 - (iii) the potential contribution of the Eligible Participant to the Group;
 - (iv) the achievement of milestones for the Company's business, either agreed or determined separately by the Board; or
 - (v) any other matter the Board considers relevant.
- (b) For the avoidance of doubt, nothing in this document obliges the Company at any time to give a Plan Participation Notice to any Eligible Participant with respect to any particular Financial Year.

4.2 Participation is personal to Eligible Participant

Subject to Rule 4.3, an Eligible Participant's rights to participate in this Plan as regards a particular Financial Year (as confirmed by a relevant Plan Participation Notice) ("**Plan Participation Rights**") are personal and not assignable.

4.3 Nominee

- (a) Upon receipt of a Plan Participation Notice, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Plan Participation Rights.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of Plan Participation Rights in favour of a Nominee without giving any reason for that decision.

4.4 Minimum contents of Plan Participation Notice

Each Plan Participation Notice must set out, at a minimum, the following information:

- (a) the maximum percentage of the relevant Eligible Participant's Remuneration, not being greater than 50%, which will be available to that Eligible Participant as a bonus under this Plan for the relevant Financial Year, should each of the applicable KPIs be achieved ("**Maximum Bonus Entitlement**");
- (b) the dollar value of the Maximum Bonus Entitlement (if known);
- (c) the minimum percentage of the Maximum Bonus Entitlement liable to be paid to the Eligible Participant in cash (as opposed to in Shares);
- (d) details of the KPIs applicable to the relevant Plan Participation Notice – or, if such details are not at that time known, an indicative summary of the types of matters which will form the basis for those KPIs and an estimated timeline for the KPIs to be set (and, once set, the Board will as soon as practicable provide a supplementary notice in writing to the relevant Eligible Participant containing details of those KPIs, which will constitute an annexure to, and be deemed to form part of, the Plan Participation Notice),

and such Plan Participation Notice must otherwise be in a form substantially similar to that attached to this Plan as Schedule 1.

4.5 Entitlement Confirmation Notice

No later than 35 days after the end of a Financial Year with respect to which the Board has given Plan Participation Notices to one or more Eligible Participants, the Board must give a further notice in writing to each of those Eligible Participants (“**Entitlement Confirmation Notice**”), unless such Eligible Participants have not become liable to receive a bonus payment under this Plan with respect to that Financial Year.

4.6 Minimum contents of Entitlement Confirmation Notice

Each Entitlement Confirmation Notice must set out, at a minimum, the following information:

- (a) the total value of the bonus which the Board has determined is payable to the relevant Eligible Participant as regards the Financial Year to which it relates (“**Bonus Entitlement**”);
- (b) the minimum amount of such Bonus Entitlement, expressed as a dollar value, which must be taken by the Eligible Participant as a cash bonus (as opposed to in Shares);
- (c) correspondingly (but subject always to Rule 4.12), the maximum amount (expressed as a dollar value) which the Eligible Participant may elect to receive as a Share-based bonus payment;
- (d) the deemed issue price to apply to each Share which the Eligible Participant may elect to take up as part of their Bonus Entitlement and the formula for determining the number of Shares that may be applied for;
- (e) any Restriction Period the Board has resolved to apply to Shares issued under this Plan to that Eligible Participant;
- (f) the fact that the Eligible Participant must provide the Board with an executed notice in the form attached to the Entitlement Confirmation Notice (“**Acceptance Notice**”) by a set date (not being later than 10 August in the relevant calendar year) (“**Closing Date**”) as to the number of Shares they wish to take up out of their relevant Bonus Entitlement (having regard to the matters contemplated in paragraphs (b) and (c) above) – and if no Acceptance Notice has been received by that date then the Eligible Participant will be deemed to have elected to take 100% of the relevant Bonus Entitlement in cash and none of it in Shares; and
- (g) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Shares to be issued to that Eligible Participant,

and such Entitlement Confirmation Notice must otherwise be in a form substantially similar to that attached to this Plan as Schedule 2 (including containing as an attachment an Acceptance Notice).

4.7 Entitlement Confirmation Notice an Offer

An Entitlement Confirmation Notice will (subject to the terms and conditions of this Plan) constitute a deemed offer by the Board to the relevant Eligible Participant to subscribe for up to the maximum number of Shares set out in that Entitlement Confirmation Notice at any time up to the Closing Date (“**Offer**”). An Offer may, subject to the terms and conditions of the Entitlement Confirmation Notice, be accepted by that Eligible Participant in whole or in part.

4.8 Consideration for issue of Shares

Shares issued under the Plan will be issued for no [more than nominal] cash consideration.

4.9 Share Restriction Period

A Share may be subject to a Restriction Period as determined by the Board in accordance with Rule 8 of this Plan.

4.10 Deferred taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan except to the extent an Offer provides otherwise.

4.11 Quotation of Shares

Shares will be quoted on the ASX and rank equally with all other Shares quoted on ASX.

4.12 Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, the number of Shares to be offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will

not exceed 5% of the total number of Shares on issue at the date of the Offer.

4.13 Board determination is final

The Board's determination as to:

- (a) whether (and the extent to which) an Eligible Participant has met their applicable KPIs as regards a particular Financial Year; and
 - (b) the Bonus Entitlement (if any) to be paid to an Eligible Participant as regards a particular Financial Year,
- is final and not open to challenge, other than to the extent an Entitlement Confirmation Notice clearly and unambiguously contains a manifest error.

5. FORMULA FOR CALCULATION OF SHARES OFFERED

The value of the maximum entitlement to Shares and the maximum number of Shares to be the subject of an Offer will be calculated as follows:

- (a) Part A – calculation of total value of Shares:

$$SV = BE - CV$$

Where:

SV is the value of the Shares to be the subject of the Offer;

BE is the value of the applicable Bonus Entitlement determined by the Board; and

CV is the minimum cash value of the Bonus Entitlement determined by the Board;

- (b) Part B – calculation of total number of Shares:

$$OS = SV/DSP$$

Where:

OS is the number of Shares to be the subject of the Offer;

SV is the value referred to in Rule 5(a) above; and

DSP is the deemed price of Shares in the Company on the date the Offer is made (ie the date of the Entitlement Confirmation Notice which contains the Offer), being the volume weighted average price for the Shares in the Company traded on the ASX during the Relevant Period.

6. ACCEPTANCE OF OFFER

6.1 Acceptance of Offer

An Eligible Participant (or permitted Nominee) may accept an Offer in whole or in part, by signing and returning an Acceptance Notice to the Company no later than the Closing Date.

6.2 Board's right to reject

- (a) The Board may accept or reject any Acceptance Notice in its absolute discretion.
- (b) Before accepting or rejecting the Acceptance Notice, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Acceptance Notice under this Plan.
- (c) The Board must promptly notify an applicant if an Acceptance Notice has been rejected, in whole or in part.

6.3 Participant agrees to be bound

- (a) An Eligible Participant, by submitting an Acceptance Notice, agrees to be bound by the terms and conditions of the Offer and the Acceptance Notice, the Plan and the Constitution of the Company, as amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that, to the extent it wishes for a portion of its applicable Bonus Entitlement to be taken in Shares, the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Offer and Acceptance Notice, the Plan and the Constitution of the Company, as amended from time to time.

6.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 6.1, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

7. ISSUE OF SHARES

7.1 Issue of Shares

Subject to Rule 7.2, once the Board has received and accepted a duly signed and completed Acceptance Notice for Shares, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly issue Shares to the applicant, upon the terms set out in the Offer, the Acceptance Notice and the Plan and upon such additional terms and conditions as the Board determines.

7.2 Approvals

The Company's obligation to issue Shares is conditional on:

- (a) the issue of the Shares complying with all applicable legislation and the ASX Listing Rules; and
- (b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained prior to the issue of the Shares.

The Company will, subject to the Corporations Act, the ASX Listing Rules, this Plan and any applicable Offer issue Shares the subject of an accepted Acceptance Notice to the Participant, credited as being fully paid, on or about 15 August in the relevant calendar year.

7.3 Withholding

If a Participant is liable for tax, duties or other amounts on the issue of their Shares and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

7.4 Rights attaching to Shares

A Participant will, from and including the issue date of Shares under this Plan, be the legal owner of the Shares issued for them and will be entitled to dividends and to exercise voting rights attached to the Shares.

7.5 Share ranking

All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

7.6 Quotation on ASX

If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within the later of 10 Business Days after:

- (a) the date the Shares are issued; and
- (b) the date any Restriction Period that applies to the Shares ends.

7.7 Sale of Shares

- (a) Subject to Rule 8 (Restriction on Dealing in Shares), there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
- (c) The Company 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).

8. RESTRICTION ON DEALING IN SHARES

8.1 Restriction Period

Subject to Rule 8.5, the Board may, in its discretion, determine at any time up to the making of the Offer, a restriction period will apply to some or all of the Shares issued to a Participant ("Restricted Shares"), up to a maximum of 12 months from the Issue Date of the Shares ("Restriction Period").

8.2 Waiver of Restriction Period

Subject to Rule 8.5, the Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 8.1.

8.3 No disposal of Restricted Shares

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

8.4 ASX Imposed Escrow

The Company must impose a Restriction Period on Shares to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

8.5 Enforcement of Restriction Period

- (a) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- (b) The Participant agrees to:
 - (i) execute an ASX restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan;
 - (ii) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
 - (iii) the application of a Holding Lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the Plan has expired (at which time the Company shall arrange for the Holding Lock to be removed).

8.6 Lapse of Restriction Period

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these Rules will cease.

9. OVERRIDING RESTRICTIONS ON ISSUE

- (a) Notwithstanding the Rules, no Share may be issued under the Plan if to do so:
 - (i) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
 - (ii) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.
- (b) To the extent the Company is restricted from issuing Shares under the Plan as contemplated in Rule 9(a), the value of the Shares not able to be so issued will be paid in cash to the affected Eligible Participants as part of their Bonus Entitlement and, in such circumstances, those Eligible Participants will have no recourse as against the Board or the Company in connection with their non-receipt of Shares.

10. CHANGE OF CONTROL

10.1 Vesting upon Change of Control

The Board may in its absolute discretion determine that, immediately upon the occurrence of:

- (a) 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;

- (b) a Change of Control Event; or
- (c) approval of a merger by way of scheme of arrangement under the Corporations Act being given by the Court under section 411(4)(b) of the Corporations Act,

(each a **Notification Event**),

an Eligible Participant is entitled to receive a payment under the Plan which corresponds to the level to which the Board considers the applicable KPIs for the Financial Year in question had by that time been achieved.

10.2 Winding up and Change of Main Undertaking

Subject to the applicable law, the Board may, determine in its absolute discretion, the amount of any cash bonus or Shares that an Eligible Participant shall be entitled to (irrespective of whether the relevant performance indicators have been met) where:

- (a) the Company passes a resolution for voluntary winding up; or
- (b) an order is made for the compulsory winding up of the Company,

(also each a **Notification Event**).

10.3 Notification to Participants

Upon a Notification Event occurring, the Company shall notify each Eligible Participant in writing of its entitlement to any cash bonus or Shares.

11. AMENDMENTS

11.1 Power to amend Plan

Subject to Rule 10.2, the Corporations Act and the ASX Listing Rules:

- (a) the Board may by resolution:
 - (i) amend or add to all or any of the provisions of the Plan at any time; or
 - (ii) amend an Offer at any time prior to receipt of a valid Acceptance Notice for that Offer; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

11.2 Notice of amendment

As soon as reasonably practicable after making any amendment under Rule 10, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

12. TRUST

- (a) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares for which a Participant has provided an Acceptance Notice, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.
- (b) The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.
- (c) The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a trustee as detailed in this Rule.

13. MISCELLANEOUS

13.1 Rights and obligations of Participants

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participation in the Plan.
- (b) This Plan will not form part of, and its terms are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (c) No Eligible Participant (nor any Nominee of any such Eligible Participant) will have any rights to compensation or damages in consequence of the termination, for any reason, of the office, employment or other contract with a Group Company of the Eligible Participant where those rights arise, or may arise, as a result of the Eligible Participant or Nominee ceasing to have rights under the Plan as a result of such termination.

- (d) Nothing in this Plan or participation in the Plan:
- (i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant ;
 - (ii) affects the rights and obligations of any Eligible Participant under the terms of their employment, engagement or office with any Group Company;
 - (iii) confers any legal or equitable right on an Eligible Participant whatsoever to take action against any Group Company for their employment, engagement or office;
 - (iv) confers on an Eligible Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (v) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents for any taxation liabilities of the Eligible Participant,
 - (vi) and the provisions of this Rule 13.1(d) apply equally to, and bind, any Nominee of an Eligible Participant nominated for the purposes of this Plan.

13.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan and in the exercise of any power or discretion under the Plan.

13.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Shares issued under it, the decision of the Board is final and binding.

13.4 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC for the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

13.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights.
- (b) Any additional rule must conform to the basic principles of the Plan.

13.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post, facsimile or email:
- (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is an employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given:

- (i) by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped;
- (ii) by facsimile, it is deemed to have been received on completion of transmission;
- (iii) by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.

13.7 Attorney

Each Participant:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Participant's attorney to complete and execute any documents, including applications for Shares and Share transfers, and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of this Plan;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each Group Company and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each Group Company and the attorney in respect thereof.

13.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

13.9 Adverse Tax

Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued Shares under the Plan, the Board may, in its absolute discretion, agree to compensate the Participant in whole or in part.

13.10 Data protection

By lodging an Acceptance Notice, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

13.11 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

13.12 ASX Listing Rules

While the Company remains admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to the Plan, and to the extent that the Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

13.13 Enforcement

As regards each Eligible Participant, this Plan and any determination of the Board made pursuant to this Plan, will be deemed to form a contract between the Company and that Eligible Participant.

13.14 Laws governing Plan

- (a) This Plan is governed by the laws of Western Australia and the Commonwealth of Australia.

- (a) The Company and the Eligible Participants submit to the non-exclusive jurisdiction of the courts of Western Australia.

SCHEDULE 1 – SHORT TERM INCENTIVE PLAN – PLAN PARTICIPATION NOTICE

[insert date]

[Name and address of Eligible Participant]

Dear [*]

STRANDLINE RESOURCES LIMITED – SHORT TERM INCENTIVE PLAN

The board of directors (“**Board**”) of Strandline Resources Limited (ACN 090 603 642) (“**Company**”) is pleased to inform you of your entitlement to participate in the Company’s Short Term Incentive Plan (“**Plan**”) for the Financial Year ending 30 June [insert year] (“**Current Financial Year**”). Terms used in this Plan Participation Notice (“**Notice**”) have the same meaning as used in the Plan.

The basis on which you are entitled to participate in the Plan under the terms of this Notice are as follows:

Maximum Bonus Entitlement	Your maximum entitlement to bonus payments under the Plan for the Current Financial Year is capped at [insert]% of the Remuneration payable to you in connection with the Current Financial Year.
	The value of your Remuneration as at the date of this Notice is \$[insert] and, accordingly, the value of such maximum entitlement is \$[insert][delete if not applicable]
Key Performance Indicators (KPIs)	Your entitlement to a bonus payment under the Plan is dependent upon achievement of the KPIs set out in the Annexure to this Notice. The Board’s view as to whether (and to what extent) such KPIs have been satisfied is final
Minimum cash percentage	Should you become entitled to a bonus payment under the Plan, you must take no less than [insert]% of that payment as cash (as opposed to in Shares)
Basis for share price calculation	To the extent that you elect to receive any bonus payment in Shares, the deemed issue price per Share will be [insert basis of calculation]

Your participation in the Plan is otherwise subject to the terms and conditions set out in the Plan (a copy of which is attached to this Notice as the Schedule).

Within 35 days after the end of the Current Financial Year, the Board will notify you of the extent to which you have become entitled to receive a bonus payment under the Plan. That notice (“**Entitlement Confirmation Notice**”) will contain information confirming the deemed price per Share that will apply to the extent you elect to take a portion of any such payment in Shares and, consequently, will enable you to calculate the maximum number of Shares to which you are entitled under the Plan as regards the Current Financial Year. The Entitlement Confirmation Notice will constitute an offer from the Board to you to issue up to that maximum number of Shares to you (subject to the terms and conditions of the Plan) and will attach an Acceptance Notice by which you can specify the extent to which you elect to accept that offer.

Additional relevant information in connection with the basis on which Shares may be issued to you under the Plan will be specified in the Entitlement Confirmation Notice.

We thank you for your ongoing contribution to the Company and look forward to communicating further with you in relation to these matters, including providing you with an Entitlement Confirmation Notice in due course (and in accordance with the timeframe mentioned above). In the interim, if you have any questions regarding the operation of the Plan, please contact [name] on [telephone number/e-mail address].

Yours faithfully

[insert name]

**For and on behalf of
Strandline Resources Limited**

Encl.

SCHEDULE 2 – ENTITLEMENT CONFIRMATION NOTICE

[insert date]

[Name and address of Eligible Participant]

Dear [*]

STRANDLINE RESOURCES LIMITED – CONFIRMATION OF ENTITLEMENT UNDER SHORT TERM INCENTIVE PLAN

The board of directors (“**Board**”) of Strandline Resources Limited (ACN 090 603 642) (“**Company**”) is pleased to provide you with this notice (“**Entitlement Confirmation Notice**”) confirming the extent to which you have become entitled to receive a bonus payment pursuant to the Company’s Short Term Incentive Plan (“**Plan**”) for the Financial Year ending 30 June [*insert year*] (“**Relevant Financial Year**”). Terms used in this Entitlement Confirmation Notice have the same meaning as used in the Plan.

Bonus Entitlement	The total bonus payment to which you have become entitled under the Plan as regards the Relevant Financial Year is \$[<i>insert</i>]
Minimum cash bonus amount	The minimum amount which will be paid to you in cash in connection with your Bonus Entitlement is \$[<i>insert</i>]
Maximum Share bonus amount	The maximum amount of your Bonus Entitlement which you may elect to take as Shares (subject to the terms and conditions of this Entitlement Confirmation Notice and of the Plan) is \$[<i>insert</i>]
Applicable deemed price per Share	To the extent you elect to receive a portion of your Bonus Entitlement in Shares, the deemed issue price applicable to each such Share is \$[<i>insert</i>]
Calculation of maximum Share entitlement	<p>The following formulae apply in order to determine the maximum number of Shares which you may elect to have issued to you in connection with your Bonus Entitlement:</p> <p><u>Part A – calculation of total value of Shares:</u></p> $SV = BE - CV$ <p>Where:</p> <p>SV is the maximum value of the Shares which you may elect to receive in connection with your Bonus Entitlement;</p> <p>BE is the value of your Bonus Entitlement; and</p> <p>CV is the minimum amount payable to you in cash in connection with your Bonus Entitlement;</p> <p><u>Part B – calculation of total number of Shares:</u></p> $OS = SV/DSP$ <p>Where:</p> <p>OS is the maximum number of Shares which you may elect to receive in connection with your Bonus Entitlement;</p> <p>SV has the same meaning as in Part A above; and</p> <p>DSP is the applicable deemed price per Share specified above in this Entitlement Confirmation Notice (being the volume weighted average price for the Shares in the Company traded on the ASX during the Relevant Period)</p>

Offer	This Entitlement Confirmation Notice constitutes an offer by the Board to issue to you up to the maximum number of Shares calculated under the above formulae (“Offer”), subject to the terms and conditions set out below
Trading restrictions	[No trading restrictions are applicable to Shares issued to you in connection with your Bonus Entitlement] OR [Each Share issued to you in connection with your Bonus Entitlement will be subject to trading restrictions, in accordance with the Plan, for a period of [insert] months after their date of issue]

The following information is also provided to you in connection with any election which you may make to receive a portion of your Bonus Entitlement in Shares:

- (a) the Offer is subject to the terms and conditions of the Plan;
- (b) this Offer remains open for acceptance by you until 5pm WST on [insert date] (“Closing Date”) at which time the Offer will close and lapse;
- (c) you may apply for the Shares by filling out the Acceptance Notice attached to this Entitlement Confirmation Notice and returning it to the Company Secretary before the Closing Date;
- (d) to the extent the Company has not received a valid Acceptance Notice from you (or your Nominee) by the Closing Date, you will be deemed to have elected to have 100% of your Bonus Entitlement paid to you in cash (and none of it in Shares);
- (e) you may apply for the Shares to be registered in your name, or in a Nominee’s name. Examples of acceptable Nominees are set out in the Plan. Please discuss this with the Company Secretary if you have any queries;
- (f) the issue of the Shares is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and you remaining an Eligible Participant at the time the Shares are to be issued;
- (g) the Shares will be granted to you for nil cash consideration;
- (h) unless the Plan provides otherwise, the Shares and your corresponding cash payment in connection with your Bonus Entitlement will be issued/paid to you by no later than 15 August [insert year];
- (i) the Company will apply for the Shares to be quoted on the ASX in accordance with the ASX Listing Rules within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period that applies to the Shares ends;
- (j) the Shares may be subject to restrictions on disposal in accordance with the Plan, in which case the Company will impose a Holding Lock with the Company’s share registry and the Shares will not be able to be traded until the Holding Lock is lifted by the Company;
- (k) the Company will issue, where required to enable the 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 which complies with the requirements of the Corporations Act;
- (l) the current market price of the Company’s Shares can be found on the Company’s ASX website at [insert]; and
- (m) Subdivision 83A-C of the *Income Tax Assessment Act 1997*, which enables tax deferral on Shares, [will/will not] apply (subject to the conditions in that Act) to Shares issued to you under this Offer.

You should be aware the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Shares issued under the Plan.

Any advice given by the Company in relation to the Shares offered under the Plan, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This Entitlement Confirmation Notice and all other documents provided to you in connection with it contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice. You are advised to seek independent professional advice

regarding the Australian tax consequences of the issue of Shares and the acquiring and disposing of any Shares under the Plan according to your own particular circumstances.

Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the attached Acceptance Notice and returning it to the Company **by no later than [insert]**.

Yours faithfully

[insert name]

**For and on behalf of
Strandline Resources Limited**

Encl.

ATTACHMENT – ACCEPTANCE NOTICE

With reference to an offer made by Strandline Resources Limited (ACN 090 603 642) (“**Company**”) to apply for the issue of Shares under the Company’s Short Term Incentive Plan (“**Plan**”), the terms of which offer are set out in the Entitlement Confirmation Notice to which this Acceptance Notice constitutes an attachment (“**Offer**”), the person below (being an Eligible Participant under the Plan or a nominee of such an Eligible Participant) hereby applies for the number of Shares specified below under the terms of the Offer, this Acceptance Notice and the Plan.

Full Name:			
Address:			
Ph:		Email:	
Number of Shares applied for:			

Tax file number(s) or exemption:

CHESS HIN (where applicable):

In applying for the issue of the abovementioned quantity of Shares under the Offer, the person below acknowledges and agrees:

- (a) to be entered on the register of Shareholders of the Company as the holder of the Shares applied for;
- (b) to be bound by the terms of the Constitution of the Company;
- (c) to be bound by the terms and conditions of the Plan;
- (d) to be bound by the terms and conditions of the Offer;
- (e) a copy of the full terms of the Plan has been provided to it;
- (f) by completing this Acceptance Notice, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan (if applicable);
- (g) any tax liability arising from the Company accepting its application for Shares under the Plan is its responsibility and not that of the Company; and
- (h) to the extent required by the terms of the Plan and the ASX Listing Rules, to enter into any necessary restriction agreement in relation to any Shares and to the placing of a Holding Lock on those Shares.

Where an individual

SIGNED by **[INSERT NAME OF INDIVIDUAL]** in the)
presence of:)

Signature of witness

Signature

Name of witness

Where an Australian company

EXECUTED by **[INSERT COMPANY NAME]**)
ACN [INSERT ACN])
in accordance with section 127 of the *Corporations Act*)
2001 (Cth):)

Signature of director

Signature of director/company secretary*

Name of director


Name of director/company secretary*


*please delete as applicable



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

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:30pm (WST) Tuesday, 26 November 2019.**

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.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at 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: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to 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 offices of BDO Australia, 38 Station Street, Subiaco, Western Australia on Thursday, 28 November 2019 at 12.30pm (WST) 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 Resolutions 1 and 5 - 13 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 - 13 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 Resolutions 1 and 5 - 13 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"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<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"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	<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

