



Dear Shareholder

The Annual General Meeting (**Meeting**) of shareholders of Ardiden Limited (ABN 82 110 884 252) (**Company**) will be held at Level 2, CWA House, 1176 Hay Street, West Perth WA 6005 on Wednesday, 24 November 2021 at 2:00pm (AWST).

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, the Company will not be sending hard copies of the Notice of Meeting (**Notice**) to shareholders unless a shareholder has requested a hard copy. The Notice can be viewed and downloaded from the Company's website at [www.ardiden.com.au/investors/aggm](http://www.ardiden.com.au/investors/aggm).

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

The Company is providing a webinar facility for shareholders who may not be able to attend in person and wish to listen via the webinar facility. To register for the webinar please use the link below:

<https://zoom.us/meeting/register/tJcpfuGrqzWjH907aJosSGExfKgmDDTaWdE>

The Company strongly encourages shareholders to lodge a directed proxy form prior to the meeting. In order to receive electronic communications from the Company in the future, please update your shareholder details at [www.investorvote.com.au](http://www.investorvote.com.au) and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find on your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

Your proxy form must be received by 2:00pm (AWST) on Monday, 22 November 2021, being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting.

Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at [info@ardiden.com.au](mailto:info@ardiden.com.au) by 2:00pm (AWST) on Monday, 22 November 2021. Shareholders who physically attend the Meeting will also have the opportunity to submit questions during the Meeting.

Circumstances relating to COVID-19 are constantly evolving and accordingly, we may make alternative arrangements to the way in which the Meeting is held. If this occurs, we will notify any changes by way of announcement on ASX and the details will also be made available on our website at [www.ardiden.com.au](http://www.ardiden.com.au).

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

If you have any difficulties obtaining a copy of the Notice, please contact the Company's share registry, Computershare, on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Neil Hackett".

Neil Hackett  
Chairman



**ARDIDEN**

**Ardiden Limited**  
ABN 82 110 884 252

ADV

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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AWST) on Monday, 22 November 2021.**

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

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

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### PARTICIPATING IN THE MEETING

#### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

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

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

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

### By Mail:

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

### By Fax:

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



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

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

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

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

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I/We being a member/s of Ardiden 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 Ardiden Limited to be held at Level 2, CWA House, 1176 Hay Street, West Perth, WA 6005 on Wednesday, 24 November 2021 at 2:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6, 7 and 8 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, 5, 6, 7 and 8 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
Resolution 1 Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Neil Hackett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of issue of Shares to Exiro Minerals Corp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Amended Employee Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Grant of Incentive Options to Mr Robin Longley or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Grant of Incentive Options to Neil Hackett or his nominee(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Grant of Incentive Options to Pauline Gately or her nominee(s)	<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





# Ardiden Limited

ABN 82 110 884 252

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

**24 November 2021**

**Time of Meeting**

**2:00pm AWST**

**Place of Meeting**

**Level 2, CWA House, 1176 Hay Street, West Perth WA 6005**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the Proxy Form in accordance with the specified directions.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company on 08 6184 5938**

# ARDIDEN LIMITED

## ABN 82 110 884 252

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Ardiden Limited ABN 82 110 884 252 will be held at Level 2, CWA House, 1176 Hay Street, West Perth WA 6005 on Wednesday 24 November 2021 at 2:00pm AWST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

The Company and the Board are acutely aware of the current circumstances resulting from COVID-19 and the impact it is having, and is likely to continue to have, on physical meetings. The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with the State and Federal Government's current restrictions for physical gatherings.

Circumstances relating to COVID-19 are changing rapidly. The Company will update Shareholders if changing circumstances will impact the planning or arrangements for the Meeting by way of announcement on ASX and the details will also be made available on our website at [www.ardiden.com.au](http://www.ardiden.com.au).

### AGENDA

#### 1 Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2021, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

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

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

*"That the Remuneration Report for the year ended 30 June 2021 as set out in the 2021 Annual Report be adopted."*

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

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

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

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

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

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

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

### 3 Resolution 2 – Re-election of Mr Neil Hackett as a Director

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

*"That, Mr Neil Hackett, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### 4 Resolution 3 – Approval of Additional 10% Placement Capacity

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

*"That, for the purpose of Listing Rule 7.1A and 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 Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

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

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 5 Resolution 4 – Proposed issue of Shares to Exiro Minerals Corp

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue 15,000,000 Shares on or before 6 January 2022 to Exiro Minerals Corp on the terms and conditions set out in the Explanatory Memorandum."*

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

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6 Resolution 5 – Amended Employee Equity Incentive Plan

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

*"That, pursuant to and in accordance with Listing Rule 7.2, Exception 13(b) and for all other purposes, Shareholders approve the amended Employee Equity Incentive Plan, a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rules 7.1 and 7.1A. If the Resolution is passed, the Company will be able to issue Awards under the amended Plan up the maximum number of 107,000,000. "*

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

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

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides;
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on the Resolution, in which case an ASX announcement will be made.

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

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

## 7 Resolution 6 – Grant of Incentive Options to Mr Robin Longley or his nominee(s)

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 13,000,000 Incentive Options for no cash consideration to Mr Robin Longley or his nominee(s), with an exercise price being the greater of \$0.018 or 143% of the 5 day volume weighted average price of the Shares as at the date of Shareholder approval, exercisable three years after the date of grant, and an expiry date of 4 years from the date of grant, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

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

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

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

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

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

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

Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

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

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

## 8 Resolution 7 – Grant of Incentive Options to Mr Neil Hackett or his nominee(s)

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 5,000,000 Incentive Options for no cash consideration to Mr Neil Hackett or his nominee(s), with an exercise price being the greater of \$0.018 or 143% of the 5 day volume weighted average price of the Shares as at the date of Shareholder approval, exercisable three years after the date of grant, and an expiry date of 4 years from the date of grant, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

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

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

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

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



## 9 Resolution 8 – Grant of Incentive Options to Ms Pauline Gately or her nominee(s)

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 5,000,000 Incentive Options for no cash consideration to Ms Pauline Gately or her nominee(s), with an exercise price being the greater of \$0.018 or 143% of the 5 day volume weighted average price of the Shares as at the date of Shareholder approval, exercisable three years after the date of grant, and an expiry 4 years from the date of grant, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

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

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

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

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

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

## OTHER BUSINESS

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

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

**By order of the Board**

**Tara Robson**  
Company Secretary

Dated: 19 October 2021

## How to vote

Shareholders can vote by either:

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

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

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

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 6, 7 and 8 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 2:00pm (AWST time) on 22 November 2021. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

#### By internet:

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

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

#### By post:

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

#### By fax:

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

- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 2:00pm (AWST time) on 22 November 2021. If facsimile transmission is used, the Power of Attorney must be certified.

### Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST time) on 22 November 2021.

# ARDIDEN LIMITED

## ABN 82 110 884 252

### EXPLANATORY MEMORANDUM

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

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

#### 1 Financial Reports

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2021, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

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

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

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

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

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

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

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2021 Annual Report be adopted. The Remuneration Report is set out in the Company's 2021 Annual Report and is also available on the Company's website ([www.ardiden.com.au](http://www.ardiden.com.au)).

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

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

The remuneration report for the financial year ended 30 June 2020 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 26 November 2020. Accordingly, if at least 25% of the votes cast on this Resolution are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

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

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

## **Voting**

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

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

### **3 Resolution 2 – Re-election of Mr Neil Hackett as a Director**

Pursuant to Clause 13.2 of the Company's Constitution, Mr Neil Hackett, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

#### **Qualifications**

**Mr Neil Hackett** *BEcon, GDAFI, GDFP, FFin, GAICD (Merit)*  
Non-Executive Chairman

Mr Neil Hackett joined Ardiden as Director in June 2012 and was appointed Chairman in December 2015. He is currently Non-Executive Director of ASX listed rare earths explorer Hastings Technology Metals Limited, ASX listed health technology provider Intelicare Ltd, Non-Executive Director of private safety footwear company Steel Blue Boots (Footwear Industries Pty Ltd) and Council member of John XXIII College. Mr Hackett's experience includes 13 years in the mineral resources industry including non-executive director and/or company secretary roles with various exploration companies including African Chrome Fields Ltd, Ampella Mining Ltd, Calima Energy Ltd, Modun Resources Ltd and Sundance Resources Ltd. Neil has sat on various not for profit Boards and is a Course Facilitator for the Australian Institute of Company Directors.

Mr Hackett holds a Bachelor of Economics from the University of Western Australia, post-graduate qualifications in Applied Finance and Investment, and Financial Planning, is a Fellow of the Financial Services Institute of Australia and Graduate (Order of Merit) with the Australian Institute of Company Directors.

Mr Hackett is a member of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

#### **Other material directorships**

Currently, Mr Neil Hackett is also a director of Hastings Technology Metals Limited and Intelicare Ltd.

#### **Independence**

Mr Neil Hackett was appointed to the Board on 12 June 2012.

The Board considers that Mr Neil Hackett, if re-elected, will continue to be classified as a non-independent director because he filled the role of executive Chairman and shared the role of interim CEO for the period from 22 January 2019 to 30 April 2019 pending the identification and appointment of a replacement CEO. He also holds the longest tenure being 9 years.

## Board recommendation

The Directors consider Mr Hackett's relevant experience and qualifications, in particular Mr Hackett's leadership and industry experience, will assist the Company in achieving its strategic objectives as it focuses on exploration activities at its Pickle Lake Gold Project.

The members of the Board, in the absence of Mr Neil Hackett, support the re-election of Mr Neil Hackett as a director of the Company.

## 4 Resolution 3 – Approval of Additional 10% Placement Capacity

### Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

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

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

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

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

### The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

Based on the number of Shares on issue at the date of this Notice, the Company will have 2,153,335,356 Shares on issue and therefore, subject to Shareholder approval being obtained under this Resolution, 215,333,535 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

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

- A** is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
    - (i) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
      - (ii) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or

- (iii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
- (b) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - (i) the agreement was entered into before the commencement of the Relevant Period; or
  - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
- (c) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
- (d) plus the number of partly paid Shares that become fully paid in the Relevant Period;
- (e) less the number of fully paid Shares cancelled in the Relevant Period.

*Note that 'A' is 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 Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

#### **Specific information required by Listing Rule 7.3A**

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Annual General Meeting and will expire on the earlier of:
  - (i) the date that is 12 months after the date of the Annual General Meeting;
  - (ii) the time and date of the Company's next Annual General Meeting; and
  - (iii) the time and date on which the Company receives approval by Shareholders for 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) (**Approval Period**).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
  - (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) the Shares are being issued to raise funds for existing exploration projects, as well as new mineral projects acquired by the Company during the period ahead, drilling programs and/or general working capital;
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; 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; or

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

Variable 'A' (refer above for calculation)		Dilution		
		\$0.006 Issue Price at half the current market price	\$0.011 Issue Price at current market price	\$0.022 Issue Price at double the current market price
<b>Current Variable 'A'</b> 2,153,335,356 Shares	<b>Shares issued</b>	215,333,535	215,333,535	215,333,535
	<b>Funds raised</b>	\$1,292,001	\$2,368,669	\$4,737,338
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 3,230,003,034 Shares	<b>Shares issued</b>	323,000,303	323,000,303	323,000,303
	<b>Funds raised</b>	\$1,938,002	\$3,553,003	\$7,106,007
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 4,306,670,712 Shares	<b>Shares issued</b>	430,667,071	430,667,071	430,667,071
	<b>Funds raised</b>	\$2,584,002	\$4,737,338	\$9,474,676
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 other than the shares the subject of Resolution 4 or ratified under Listing Rule 7.4 except for 6,273,472 Equity Securities.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

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

- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (f) The Company has not previously issued or agreed to issue Equity Securities under Listing Rule 7.1A2 in the 12 months preceding the date of the Meeting.

## 5 Resolution 4 – Approval of issue of Shares to Exiro Minerals Corp

On 6 January 2020, the Company announced it had entered into an agreement with Exiro Minerals Corp (**Exiro**) to earn a 100% interest in the New Patricia Gold Prospect (**Property**) over a three-year period (**Earn In Agreement**). The key terms of the Earn In Agreement were detailed in the Company's notice of annual general meeting dated 14 October 2020 (**2020 Notice**) which sought Shareholder ratification of the issue of a total of 22,500,000 Shares to Exiro pursuant to the Earn In Agreement. A copy of the 2020 Notice is available on the Company's website at <https://www.ardiden.com.au/wp-content/uploads/2020/10/61003601.pdf>.

As noted in the 2020 Notice, at the date of this Notice the following progressive payments to Exiro are still outstanding:

- on or before second anniversary of the Earn In Agreement, payment of C\$50,000 and issue of 15,000,000 Shares (**Second Anniversary Payment Shares**);
- additional two years' worth of assessment exploration work on the Property by each of the second and third anniversaries of the Earn In Agreement; and
- on or before third anniversary of the Earn In Agreement, payment of C\$100,000 and issue of 20,000,000 Shares.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The proposed issue of Second Anniversary Payment Shares does not fit within any of these exceptions. While the proposed issue of Second Anniversary Payment Shares does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the proposed issue of Second Anniversary Payment



Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval as set out in Listing Rule 7.1.

If this Resolution is passed, the Company will issue 15,000,000 Second Anniversary Payment Shares to Exiro, an unrelated party of the Company.

If this Resolution is not passed, the Second Anniversary Payment Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date the Company entered into the agreement for the Second Anniversary Payment Shares. In addition, the Second Anniversary Payment Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval under that rule.

The following information in relation to the Second Anniversary Payment Shares is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the Second Anniversary Payment Shares will be issued to Exiro, an unrelated party of the Company;
- (b) the Company will issue 15,000,000 Second Anniversary Payment Shares;
- (c) the Second Anniversary Payment Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Second Anniversary Payment Shares will be issued on or before 6 January 2022, being the second anniversary of the Earn In Agreement;
- (e) the Second Anniversary Payment Shares will be issued at a deemed issue price of \$0.004, the closing price of the Shares on the day of entering into the Earn-in Agreement each;
- (f) the Second Anniversary Payment Shares are being issued as part consideration under the Earn In Agreement;
- (g) a summary of the material terms of the Earn In Agreement under which the Second Anniversary Payment Shares are being issued is set out above; and
- (h) a voting exclusion applies in respect of this Resolution as set out in the Notice of Meeting.

## **6 Resolution 5 – Amended Employee Equity Incentive Plan**

The Employee Equity Incentive Plan (**Plan**) was last approved by Shareholders at the annual general meeting held on 26 November 2020 (**2020 AGM**). As the Company is proposing to make changes to the terms of the Plan, Resolution 5 seeks Shareholder approval for the amended Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

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

Shareholder approval is required if any issue of Awards pursuant to the Plan is to fall within the exception to the calculation of the 25% limit imposed by Listing Rules 7.1 and 7.1A (subject to Shareholder approval of Resolution 3) on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 13(b) which provides that Listing Rules 7.1 and 7.1A (subject to Shareholder approval

of Resolution 3) does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

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

### **Key change to the Plan approved by Shareholders at the 2020 AGM**

The key change allows the Board, at its discretion, to permit a Participant to elect to receive a number of Shares without payment of cash or other consideration upon surrender of the applicable portion of exercisable Options to the Company. The number of shares will be calculated in accordance with the following formula (**Cashless Exercise**):

$$A = \frac{B(C - D)}{C}$$

where:

- A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this Rule;
- B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;
- C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of:
- the certificate for the Options or, if the certificate for the Options has been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost or destroyed; and
  - a Notice of Exercise signed by the Participant; and
- D = the Exercise Price.

For example, if a Participant holds 50 Options capable of exercise, each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being  $50(\$1.50 - \$1.00)/\$1.50 = 16.67$ , rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option (or portion thereof), the total number of Shares that may be issued pursuant to the exercise of Options under the Plan shall be reduced by the total number of Shares with respect to which the Option (or portion thereof) was surrendered.

The proposed amendment to the Plan will only affect the manner in which the Options are exercised. It will not change the entitlements of the Participants.

There are a number of benefits in offering a Cashless Exercise alternative including:

- a smaller number of Shares are being issued to Participants which would reduce the dilutionary effect on Shareholders;
- it makes exercising the Options a more attractive prospect for the Participant, who may otherwise not have the necessary funds available to fund the exercise in a traditional manner; and

- it makes retention of the Shares issued on exercise more attractive as the Participant would not need to sell all or part of the Shares to recoup the Exercise Price.

Whilst less cash would be received by the Company where the Cashless Exercise is used, this is not seen as a material consideration as the Options will be issued principally to provide reasonable remuneration for employees and Directors, and also to assist in attracting, incentivising and rewarding the Company's employees and Directors.

For completeness, a summary of the terms of the Plan with these amendments in mark up are set out in Annexure B to this Explanatory Memorandum.

If the Resolution is passed, the Company will be able to issue Awards under the amended Plan up to the maximum number of 107,000,000.

If the Resolution is not passed, the Company will be able to proceed to issue Awards under the Plan, without the amendments the subject of this Resolution as the Plan was approved at the Company's 2020 AGM.

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

- a summary of the terms of the Plan is set out in Annexure B with the proposed amendments the subject of this Resolution shown in mark up;
- the Plan was previously approved by Shareholders at the Company's 2020 AGM as noted above. No Awards have been issued pursuant to the Plan since its incorporation;
- the maximum number of Awards proposed to be issued under the Plan following approval of this Resolution is 107,000,000; and
- a voting exclusion statement has been included in the Notice for the purposes of this Resolution.

## **7 Resolutions 6, 7 and 8 – Grant of Incentive Options to Participating Directors**

The Company proposes to grant a total of up to 13,000,000 Incentive Options to Mr Robin Longley and up to 5,000,000 Incentive Options each to Mr Neil Hackett and Ms Pauline Gately (**Participating Directors**), or their nominees.

### **Related Party Transactions Generally**

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

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

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

Shareholder approval is not being sought for the purposes of section 208 of the Corporations Act on the basis that the issue of Incentive Options is considered by the Board (in the absence of the Participating Directors regarding each of their respective Resolutions) to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies to this Resolution. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

The grant of Incentive Options encourages the Participating Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Having considered the Company's circumstances and each of the Participating Director's positions with the Company, the Board (in the absence of the Participating Directors regarding each of their respective Resolutions) considers that the financial benefits conferred by the grant of Incentive Options to the Participating Directors:

- (a) are a cost effective and efficient means for the Company to remunerate the Participating Directors, as opposed to alternative forms of incentive, such as the payment of additional cash compensation;
- (b) reflect the extensive experience and reputation each of the Participating Directors has within the mining industry;
- (c) reflect the current price of Shares; and
- (d) will ensure that the remuneration offered is competitive with market standards and practice. The Directors (in the absence of the Participating Directors regarding each of their respective Resolutions) have considered the proposed number of Incentive Options to be granted and ensured that the Participating Directors' overall remuneration is in line with market practice; and
- (e) will ensure continuity of service of the Participating Directors who has appropriate knowledge and expertise while maintaining the Company's cash reserves for other preferred uses,

and therefore the exception in section 211 applies.

The Board considers the grant of Incentive Options to Mr Longley, Mr Hackett and Ms Gately reasonable in the circumstances, given the necessity to attract and retain the highest calibre of professionals and suitably qualified non-executive directors, while maintaining the Company's cash reserves.

#### **Participating Directors' Current Holdings**

Set out below are details of the Participating Directors' relevant interest in Shares and Options of the Company as at the date of this Notice:

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>
Mr Robin Longley, or nominee(s)	17,833,333	10,000,000
Mr Neil Hackett, or nominee(s)	27,769,545	5,000,000
Ms Pauline Gately, or nominee(s)	500,000	5,000,000
<b>Total</b>	<b>46,102,878</b>	<b>20,000,000</b>

#### **Dilution effect of grant of Incentive Options on existing members' interests**

If passed, this Resolution will give the Directors power to grant a total of up to 23,000,000 Incentive Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 2,153,335,356 Shares and the following unlisted Options on issue:

Security	Number	Exercise Price	Expiry Date
Unlisted Options	35,000,000	Various	Various
Unlisted Options	10,000,000	\$0.01	1 November 2021
Unlisted Options	14,625,000	\$0.018	31 August 2024

If all Incentive Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 1.02%.<sup>1</sup> The market price of the Company's Shares during the period of the Incentive Options will normally determine whether or not the Participating Directors will exercise the Incentive Options. At the time any Incentive Options are exercised and Shares are issued pursuant to the exercise of the Incentive Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Incentive Options.

### Valuation of Incentive Options

The Company has valued the Incentive Options to be granted to the Participating Directors using the Black-Scholes Model. An advisor was not used as the Black-Scholes Model is readily available and well understood. The value of an Option calculated by the Black-Scholes Model is a function of a number of variables. The valuation of the Incentive Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.012
Exercise price	\$0.018
Risk Free Interest Rate	0.78%
Volatility	200%
Time (years to expiry)	4 years

The value of each Incentive Option is based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.012 on 1 October 2021;
- (b) risk free rate of return – 0.78% (estimated, based on 5 year Australian Government Bond rate); and
- (c) they used a volatility of the Share price of 200% as determined from the daily movements in Share price over the last 30 months, adjusted for abnormal trading.

Any change in the variables applied in the Black-Scholes calculation between the date of the valuation and the date the Incentive Options are granted would have an impact on their value.

<sup>1</sup> Assumes all Equity Securities proposed to be issued under a Resolution in this Notice are on issue, all Options are exercised and no other Shares are issued.

Based on the assumptions, it is considered that the estimated average value of the Incentive Options to be granted to the Participating Directors is A\$0.0113 per Incentive Option.

### **Company's historical Share price**

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 19 October 2021

<b>Highest Price (A\$)/Date</b>	<b>Lowest Price (A\$)/Date</b>	<b>Latest Price (A\$)/Date</b>
\$0.047 on 26 October 2020	\$0.007 on 17 June 2021	\$0.011 on 19 October 2021

### **Other Information**

Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Incentive Options in its statement of financial performance for the current financial year.

Other than as disclosed in this Explanatory Memorandum, the Directors (in the absence of the Participating Directors regarding each of their respective Resolutions) do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Incentive Options pursuant to the Resolution.

Neither the Directors (in the absence of the Participating Directors regarding each of their respective Resolutions) nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the Resolution.

### **Section 195(4) of the Corporations Act**

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors do not have a material personal interest in the issue of Incentive Options to a Director (or their nominee(s)) other than to himself or herself. However, given that it is proposed that all current Directors are issued Incentive Options pursuant to Resolutions 6, 7 and 8, they may be considered to have a material personal interest in the outcome of Resolutions 6,7 and 8, in which case the Directors would be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act, and put the matter to Shareholders to resolve.

### **Directors' recommendation**

Mr Longley declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that Resolution as it relates to the proposed issue of Incentive Options to him or his nominee(s).

Mr Hackett declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that Resolution as it relates to the proposed issue of Incentive Options to him or his nominee(s).

Ms Gately declines to make a recommendation about Resolution 8 as she has a material personal interest in the outcome of that Resolution as it relates to the proposed issue of Incentive Options to her or her nominee(s).

ASIC Regulatory Guide 76: Related Party Transactions notes at Table 2 of paragraph 76.104 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest. Given each Director will be issued Incentive Options under Resolutions 6,7 and 8 (as applicable), the Directors have declined to make a recommendation about Resolutions 6,7 and 8 in line with the ASIC guidance.

### Information Requirements – Listing Rules 10.14 and 10.15

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

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

unless it obtains the approval of its Shareholders.

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

If Resolutions 6, 7 and 8 are passed, the Company will grant Incentive Options to the Participating Directors as noted above, and the impact of passing this Resolution on each of the Participating Director's voting power in the Company, assuming it is granted and all Incentive Options the subject of Resolutions 6, 7 and 8 are exercised, is set out in the following table:

Participating Directors	Number of Shares	Number of Options	Percentage voting power in the Company on an undiluted basis ( <i>Total issued share capital of the Company is 2,153,335,356</i> ) <sup>2</sup>	Percentage voting power in the Company on a fully diluted basis ( <i>Total issued share capital of the Company is 2,250,960,356</i> ) <sup>3</sup>
Mr Robin Longley	17,833,333	23,000,000	0.83%	1.81%
Mr Neil Hackett	27,769,545	10,000,000	1.29%	1.68%
Ms Pauline Gately	500,000	10,000,000	0.02%	0.47%

If Resolutions 6, 7 and 8 are not passed, the Company will not grant Incentive Options to the Participating Directors and the Company may need to consider alternative ways to remunerate Mr Robin Longley, Mr Neil Hackett and Ms Pauline Gately, including by the payment of cash.

<sup>2</sup> Assumes that each of the Participating Directors have voting power in respect of all of the Equity Securities listed against their name in the table, which they may not if the relevant Equity Securities are issued to nominees who are not their Associate.

<sup>3</sup> Assumes all Options are exercised and no other Shares are issued. Also assumes that each of the Participating Directors have voting power in respect of all of the Equity Securities listed against their name in the table, which they may not if the relevant Equity Securities are issued to nominees who are not their Associate.

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

- (a) the Incentive Options will be granted to the Participating Directors or their nominees, as noted above;
- (b) Mr Robin Longley, Mr Neil Hackett and Ms Pauline Gately are Directors and therefore fall under Listing Rule 10.14.1;
- (c) the following Incentive Options will be granted:
  - (i) Resolution 6– up to 13,000,000 Incentive Options to Mr Robin Longley or his nominee(s);
  - (ii) Resolution 7 – up to 5,000,000 Incentive Options to Mr Neil Hackett or his nominee(s); and
  - (iii) Resolution 8 – up to 5,000,000 Incentive Options to Ms Pauline Gately or her nominee(s).
- (d) Mr Robin Longley, Mr Neil Hackett and Ms Pauline Gately are Directors of the Company and the issue of Incentive Options the subject of Resolutions 6, 7 and 8 is intended to remunerate or incentivise Mr Longley, Mr Hackett and Ms Gately, whose current total remuneration package is:

Director	Base Remuneration	Superannuation	Value of Incentive Options <sup>4</sup>	Total financial benefit
Mr Robin Longley	\$225,000	\$22,500	\$146,900	\$394,400
Mr Neil Hackett	\$75,000	-	\$56,500	\$131,500
Ms Pauline Gately	\$65,000	-	\$56,500	\$121,500

- (e) if Resolution 5 is passed, the Incentive Options will be issued under the amended Plan as set out in Annexure B. If Resolution 5 is not passed and Resolutions 6, 7, and 8 (as applicable) are passed, the Incentive Options will be issued in accordance with the Plan as approved by Shareholders at 2020 AGM without the amendments the subject of Resolution 5;
- (f) there have been no Awards previously issued to any of the Participating Directors under the Plan;
- (g) as noted above and amongst other reasons, the Incentive Options have been selected as a cost effective and efficient means to remunerate the Participating Directors as opposed to alternative forms of incentive, such as payment of cash compensation, and the Company wish to retain its cash reserves for other preferred uses;
- (h) the terms and conditions of the Incentive Options are set out in Annexure A to this Explanatory Memorandum;
- (i) as noted above, the Company has valued the Incentive Options using the Black-Scholes valuation method. Based on the assumptions set out above, it is considered that the estimated average value of the Incentive Options to be granted to the Participating Directors is A\$0.0113 per Incentive Option;

<sup>4</sup> The indicative valuation of \$0.0113 per Incentive Option using the Black-Scholes valuation method (see above). Refer to Annexure A for full Terms and Conditions, including vesting, of all Incentive Options.



- (j) the Incentive Options will be granted on a date which will be no later than 3 years after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (k) the Incentive Options will be granted for no cash consideration;
- (l) details of any securities issued under the Plan will be published in the annual report of the entity relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule; and
- (n) a voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

### **Voting**

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

## GLOSSARY

**2020 AGM** has the meaning set out on page 14.

**2020 Notice** has the meaning set out on page 10.

**\$** means Australian dollars.

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

**Annual Report** means the annual report of the Company for the year ended 30 June 2021.

**Approval Period** has the meaning set out on page 11.

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

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

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

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2021.

**Award** has the meaning set out in the Plan.

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

**Board** means the Directors.

**Cashless Exercise** has the meaning set out on page 15.

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

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

**Company** means Ardiden Limited ABN 82 110 884 252.

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

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

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

**Earn In Agreement** has the meaning set out on page 10.

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

**Exercise Price** has the meaning set out in Annexure A.

**Exiro** has the meaning set out on page 10.

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

**General Meeting** means the General Meeting convened by the Notice.

**Incentive Option** means an option to acquire a Share the terms of which are set out in Annexure A.

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

**Listing Rule 7.1A Mandate** has the meaning set out on page 10.

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

**Meeting** means the Annual General Meeting convened by the Notice.

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

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

**Participant** has the meaning set out in the Plan.

**Participating Directors** has the meaning set out on page 16.

**Plan** has the meaning set out on page 14.

**Property** has the meaning set out on page 10.

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

**Relevant Period** has the meaning set out on page 10.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2021.

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

**Second Anniversary Payment Shares** has the meaning set out on page 10.

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

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

**Spill Meeting** has the meaning set out on page 8.

**Spill Resolution** has the meaning set out on page 8.

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

## Annexure A – Terms and conditions of the Incentive Options

The Incentive Options will be issued on the terms and conditions set out in the Plan detailed in Annexure B (or the Plan as approved by Shareholders in the Company's 2020 AGM if Resolution 5 is not passed) and will be subject to the following conditions:

- (a) **Exercise price:** the greater of \$0.018 and 143% of the 5 day volume weighted average price of the Shares as at the date of Shareholder approval (**Exercise Price**).
- (b) **Exercise period:** The Incentive Options are exercisable at any time three years after the date of grant and on or prior to the Expiry Date (**Exercise Period**).
- (c) **Expiry date:** four years after the date of grant (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Notice of exercise:** The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the relevant Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company
- (e) **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 Incentive Option being exercised in cleared funds (**Exercise Date**).
- (f) **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 Incentive 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 Options.

If a notice delivered under (g)(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.

- (g) **Shares issued on exercise:** Each Incentive Option will convert into one ordinary share upon exercise. Shares issued on exercise of the Incentive Options rank equally with the then issued shares of the Company.
- (h) **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (i) **Participation in new issues:** There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered

to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.

- (j) **Change in exercise price:** An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.
- (k) **Transferability:** The Incentive Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## Annexure B - Summary of Employee Equity Incentive Plan

### 1 Awards

Under the Employee Equity Incentive Plan (**Plan**), Participants (as defined below) will be granted incentive awards (**Awards**) which may comprise:

- (a) shares, issued at a price (if any) determined by the Board in their sole and absolute discretion, subject to any vesting conditions (**Shares**); and/or
- (b) options, issued at a price (if any) determined by the Board in their sole and absolute discretion, each to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to any vesting conditions (**Options**); and/or
- (c) performance rights, issued at a price (if any) determined by the Board in their sole and absolute discretion, each being a conditional right to subscribe for one Share on payment of an exercise price (if any) determined by the Board in their sole and absolute discretion, and subject to the satisfaction of any vesting conditions (**Performance Rights**).

### 2 Eligibility

At the discretion of the Board, a person who is:

- (a) a full time or part time employee or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (**Group Company**);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company where the individual who performs the work under or in relation the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company,
- (d) is permitted to participate in the Plan.

People eligible to participate in the Plan are called "**Eligible Employee**". The Board may permit an Award the subject of an offer to be issued to another party nominated by an Eligible Participant (for example, the Eligible Employee's (a) immediate family member; (b) a company whose members are no-one other than the Eligible Employee or their immediate family members); (c) or a trust whose beneficiaries comprise no persons other than the Eligible Employee or their immediate family members (**Nominated Party**).

A "**Participant**" is an Eligible Employee or Nominated Party to whom an Award has been granted.

### 3 Invitation

The Board may make an invitation at any time and in its absolute discretion.

The invitation will be made in the form of an offer document and will include the following information:

- (a) the person to whom the invitation is made to;

- (b) the Award being offered;
- (c) the issue price or exercise price, as relevant;
- (d) any vesting conditions attaching to the Award; and
- (e) any performance period that the Award is subject to.

#### **4 Payment for Award**

Awards can be issued at a price (if any) determined by the Board in their sole and absolute discretion.

#### **5 Limits on number of Awards granted**

Under the Plan rules, where an offer is made under the Plan in reliance on the Class Order (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares (or, in respect of Options or Performance Rights, the total number of Shares which would be issued if those Options or Performance Rights were exercised) will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC class order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

#### **6 Entitlements of Participants**

##### *Notice of meeting*

Unless otherwise resolved by the Board when it makes an offer, and subject to the terms of issue, a Participant is entitled to notice of a meeting of the Shareholders of the Company and may exercise (whether in person or by proxy) any voting rights attaching to any Shares registered in the Participant's name which were the subject of the offer.

##### *Dividends*

The Board may determine, at the time of an offer of Shares, whether the Participant is entitled to receive any dividends declared or paid by the Company on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested).

Participants who hold Options or Performance Rights are not entitled to receive any dividends declared by the Company. No adjustment will be made to the number of Performance Rights or Options granted to a Participant under the Plan if dividends or other distributions are paid on the Shares prior to their vesting or exercise.

##### *Changes in capital*

Unless otherwise resolved by the Board when it makes an offer, a Participant who holds Shares has the same entitlement as any other Shareholder to participate in a bonus issue or rights offer, provided that if the Shares are unvested and/or have any restrictions on sale imposed on them, any Shares issued to a Participant under the bonus issue or rights offer will be subject to the Plan as if those shares were Shares issued under the offer made to the Participant.

Options or Performance Rights do not confer on the Participant the right to participate in new issues of Shares by the Company.

In the event of a capital reconstruction, subject to any provision in the Listing Rules, the Board may adjust any or all of the number of Shares issued pursuant to the offer to a Participant as the Board deems appropriate. If there is a reorganisation of capital, the rights of a Participant will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) of Shares to Shareholders the exercise price of Options and Performance Rights will be reduced in accordance with the Listing Rules.

If the Company makes a bonus issue of Shares to Shareholders the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue. No adjustment will be made to the exercise price.

If a resolution for a voluntary winding up is proposed, the Board may give notice to Participants providing a period to exercise Options or Performance Rights, subject to the relevant vesting conditions.

## **7 Dealing, vesting and exercise**

### *Dealing*

Participants must not dispose of, grant (or purport to grant) any security interest in or over, or otherwise deal with (or purport to dispose or deal with) an Award unless:

- (a) it is in compliance with the terms of the Share offer and any Share vesting conditions; and
- (b) in respect of Options and Performance Rights, the prior consent of the Board is obtained (which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion) or such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

While the Shares are subject to any restrictions, the Board may do such things it considers necessary and appropriate to enforce the restrictions, including but not limited to imposing a holding lock on the Shares during the relevant restriction period.

### *Vesting*

The vesting conditions are determined prior to the granting of such Awards by the Board.

Awards only vest if the applicable vesting conditions are satisfied, waived by the Board, are deemed to have been satisfied under the Plan, or immediately upon:

- (a) a takeover bid (as defined in the Corporations Act) becomes or is declared unconditional;
- (b) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability to replace all or a majority of the Board; or
- (c) approval of a merger by way of a scheme of arrangement by the Court (under the Corporations Act).

### *Exercise*

Vested Options and Performance Rights can only be exercised during the exercise period specified in the invitation to participate in the Plan.

The exercise price per Share in respect of an Option or Performance Right granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.

Options and Performance Rights will expire on the date determined by the Board.

#### *Cashless Exercise of Options*

In lieu of paying the aggregate Exercise Price to purchase Shares under this Rule 7, the Board may, in its sole and absolute discretion, permit a Participant to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = \frac{B(C - D)}{C}$$

where:

- A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this Rule;
- B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;
- C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of:
- the Certificate for the Options or, if the Certificate for the Options has been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost or destroyed; and
  - a Notice of Exercise signed by the Participant;
- D = the Exercise Price.

**For example only:** If a Participant holds 50 Options capable of exercise, each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being  $50(\$1.50 - \$1.00)/\$1.50 = 16.67$ , rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option (or portion thereof), the total number of Shares that may be issued pursuant to the exercise of Options under the Plan, shall be reduced by the total number of Shares with respect to which the Option (or portion thereof) was surrendered.

## **8 Lapse of Awards**

If a Participant resigns (other than in circumstances of redundancy, mental illness, total and permanent disability, terminal illness or death), is dismissed from office for cause or poor performance, or in another circumstance determined by the Board (**Bad Leaver**):

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse; and



- (c) vested Options and Performance Rights that have not been exercised will lapse on the date of cessation of employment or office,
- (d) unless the Board determines different treatment is warranted (subject to compliance with the Listing Rules and the Corporations Act).

If a Participant's employment or engagement with a Group Company ceases due to redundancy, mental illness, total and permanent disability, terminal illness or death or otherwise for reasons other than as a Bad Leaver (**Good Leaver**), unless the Board determines different treatment is warranted (subject to compliance with the Listing Rules and the Corporations Act):

- (a) unvested Shares will be retained;
- (b) unvested Options and Performance Rights will be retained; and
- (c) vested Options and Performance Rights that have not been exercised will continue in force and remain exercisable, until the last exercise date determined by the Board or the Plan.

## **9 Forfeiture of Shares**

Unvested Shares will be forfeited on the earlier of:

- (a) the Board determining any applicable vesting condition has not been, or is not capable of being, satisfied, reached or met;
- (b) the Shares being forfeited under the Plan provisions dealing with cessation of employment, change of control, breach, fraud or misconduct; or
- (c) unless the Board determines otherwise, the Participant purporting to deal with the Shares in breach of the vesting conditions and the Plan or enter into an arrangement to affect their economic exposure to unvested Shares where restricted by applicable law.

The Company must:

- (a) sell forfeited Shares in the ordinary course of trading on ASX;
- (b) buy back and cancel the forfeited Shares; or
- (c) deal with the forfeited Shares in any other manner determined by the Board from time to time.

No consideration or compensation is payable to a Participant for or in relation to the forfeiture of Shares under the Plan.

## **10 Breach, fraud or misconduct**

If the Board determines that a Participant has:

- (d) been dismissed or removed where a Group Company was entitled to do so without notice;
- (e) been indicted for an offence under the Corporations Act;
- (f) had civil judgement entered against them;
- (g) committed fraud, defalcation or gross misconduct; or
- (h) materially breaches their duties or obligations,

in connection with a Group Company, or has done an act which brings a Group Company into disrepute, the Board may determine that:

- (a) unvested Shares will be forfeited;
- (b) unvested Options and Performance Rights will lapse.

## **11 Change of control events**

On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), all unvested Shares, Options and Performance Rights will vest and become immediately exercisable.

## **12 Amendments to terms of exercise or the Plan**

The Board may vary the terms of exercise of Options or Performance Rights, and may reduce or waive vesting conditions. However, no variation to the terms of exercise of an Option or Performance Right will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.