

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

For the General Meeting to be held
on 29 September 2020 at 9:00am (Western Standard Time) at
The Celtic Club
48 Ord Street
West Perth, Western Australia

This is an important document. Please read it carefully.

*If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.*

For personal use only

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of Aruma Resources Limited will be held at:

| | |
|-----------------|-----------------------------------|
| The Celtic Club | Commencing |
| 48 Ord Street | at 9:00am (Western Standard Time) |
| West Perth | on Tuesday |
| WA 6005 | 29 September 2020. |

How to Vote

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

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either deliver the proxy form by post, in person, by facsimile or by email in accordance with instructions on the proxy form. You may also submit your proxy vote online in accordance with instructions on the proxy form.

Your proxy form must be received not later than 48 hours before the commencement of the Meeting.

Voting and Proxies

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions.
4. In relation to Resolutions 5, 6 and 7, the proxy form expressly authorises the Chairman to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chairman of the Meeting) will not be voted on Resolutions 5, 6 and 7.
5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27 September 2020 at 5:00pm (Western Standard Time).
6. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

ARUMA RESOURCES LIMITED

ACN 141 335 364

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Aruma Resources Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 29 September 2020 at 9:00am (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

BUSINESS

Resolution 1 – Ratification of the First Tranche of August 2020 Placement of Shares Under Listing Rule 7.1

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

"That, the issue of 135,000,000 Shares as part of a first tranche of the August 2020 placement under Listing Rule 7.1 is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, the Company will not disregard a vote cast in favour of the Resolution by:

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

Resolution 2 – Ratification of the First Tranche of August 2020 Placement of Shares Under Listing Rule 7.1A

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

"That, the issue of 90,000,000 Shares as part of a first tranche of the August 2020 Placement under Listing Rule 7.1A is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of those persons. However, the Company will not disregard a vote cast in favour of the Resolution by:

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

Resolution 3 – Approval to Issue Shares and Attaching Options for the Second Tranche of August 2020 Placement to unrelated parties

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

"That, the issue of up to 447,000,000 Shares and up to 224,000,000 Attaching Options as part of a second tranche of the August 2020 Placement is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, the Company will not disregard a vote cast in favour of the Resolution by:

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

Resolution 4 – Approval to Issue Shares and Attaching Options to related parties to Participate in August 2020 Placement

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

"That, the issue of up to 3,000,000 Shares and up to 1,000,000 Attaching Options to the adult children of Director, Mr Paul Boyatzis to participate in the August 2020 Placement is approved under and for the purposes of Listing Rule 10.11 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Paul Boyatzis, Michael Boyatzis, Marc Boyatzis and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or 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 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.

Resolution 5 – Approval to Issue Options to Mr Peter Schwann

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

"That the issue up to 14,000,000 Options to Mr Peter Schwann or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Peter Schwann and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or 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 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.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 6 – Approval to Issue Options to Mr Paul Boyatzis

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

"That the issue up to 10,000,000 Options to Mr Paul Boyatzis or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Paul Boyatzis and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or 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 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.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

Resolution 7 – Approval to Issue Options to Dr Mark Elliott

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

"That the issue up to 5,000,000 Options to Dr Mark Elliott or his nominees is approved under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Dr Mark Elliott and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or 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 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.

Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

By order of the Board



Peter Schwann
Director
Dated: 13 August 2020

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. RESOLUTIONS 1 AND 2 – RATIFICATION OF AUGUST 2020 PLACEMENT OF SHARES - LISTING RULES 7.1 AND 7.1A – FIRST TRANCHE

1.1 General

As announced on 30 July 2020, the Company is undertaking a capital raising of up to \$2.7 million through the issue of up to 675 million Shares at a price of 0.4 cents per Share (**August 2020 Placement**) to fund the accelerated exploration at the Company's strategically located portfolio of Australian gold projects, including its flagship new Pilbara projects - the granted Saltwater Gold Project and the Melrose Project, the costs of the issue and ongoing working capital. One free attaching unlisted option will be issued for every three Shares issued in the August Placement (Attaching Option). The Company also announced that associates of Directors committed to participate in the second tranche of the August 2020 Placement, subject to shareholder approval

The August 2020 Placement is being undertaken in two tranches. The First Tranche comprised of the issue of 225,000,000 Shares at the issue price of 0.4 cents per Share to raise \$900,000 (First Tranche). The Company undertook the First Tranche by relying on its placement capacity under Listing Rule 7.1 and 7.1A. Resolutions 1 and 2 seek Shareholder approval to ratify the issue under the First Tranche.

135,000,000 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being the subject of Resolution 1) and 90,000,000 Shares were issued pursuant to the Company's 7.1A capacity (being the subject of Resolution 2) which was approved by Shareholders at the annual general meeting held 15 November 2019.

The Second Tranche comprises the remaining 450,000,000 Shares to be issued under the August 2020 Placement as well as the Attaching Options (Second Tranche). The issue of the Second Tranche is subject to Shareholder approval under Resolutions 3 and 4.

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

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

An "*eligible entity*" means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes and obtained approval at its 2019 annual general meeting to the additional 10% capacity under Listing Rule 7.1A.

The Company is therefore able to issue equity securities up to a combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval within the limits provided.

The Company undertook the First Tranche of the August 2020 Placement by relying on its placement capacity under Listing Rules 7.1 and 7.1A as this issue did not fall within any of the exceptions to Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or Listing Rule 7.1A (as the case may be) and so does not reduce the company's capacity to issue further equity securities without shareholder approval under the relevant 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 Rules 7.1 or 7.1A.

To this end, Resolutions 1 and 2 seek ratification pursuant to Listing Rule 7.4 for the issue of the Shares the subject of the First Tranche.

If Resolution 1 is passed, the 135,000,000 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 1 is not passed, the 135,000,000 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 2 is passed, the 90,000,000 Shares will be excluded in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 14 November 2020.

If Resolution 2 is not passed, the 90,000,000 Shares will be included in calculating the Company's additional 10% capacity in Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without Shareholder approval under Listing Rule 7.1A until 14 November 2020.

1.2 Information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Shares were issued to sophisticated investors exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act including entities associated with Mr Stephen Copulos. None of the subscribers is a related party of the Company;
- (b) 225,000,000 Shares were issued, as part of the First Tranche, on the following basis:
 - (i) 135,000,000 Shares were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 90,000,000 Shares were issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued on 7 August 2020;
- (e) the Shares were issued at a price of 0.4 cents per Share;
- (f) the purpose of the issue was to raise funds to be used as set out in Section 1.1 above;
- (g) the Shares were not issued under a relevant agreement; and
- (h) a voting exclusion statement is included in the Notice.

2. RESOLUTION 3 – APPROVAL TO ISSUE SHARES AND OPTIONS FOR THE SECOND TRANCHE OF AUGUST 2020 PLACEMENT TO UNRELATED PARTIES

2.1 General

The Company is proposing to issue up to 450,000,000 Shares at an issue price of 0.4 cents per Share and 225,000,000 free Attaching Options to raise up to \$1.8 million, as the Second Tranche of the August 2020 Placement. The issue of 447,000,000 Shares and 224,000,000 Attaching Options is to unrelated parties and is the subject of this Resolution.

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

The issue of the securities the subject of this Resolution does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

This Resolution seeks the required Shareholder approval to the issue of the 447,000,000 Shares and 224,000,000 Attaching Options under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the Company will be able to proceed with the issue. In addition, the issue will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue and the Company will not raise the sum of \$1,788,000 the subject of this Resolution. In such a circumstance, the Company will need to consider the issue of the 75,000,000 Attaching Options attaching to the 225,000,000 Shares the subject of Resolutions 1 and 2 in terms of any commitment to issue these Attaching Options.

2.2

Information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Shares and Attaching Options will be issued to sophisticated investors exempt from or outside the disclosure requirements under Chapter 6D of the Corporations Act including entities associated with Mr Stephen Copulos. None of the subscribers will be a related party of the Company;
- (b) the maximum number of securities the Company will issue is 447,000,000 Shares and 224,000,000 Attaching Options;
- (c) The Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares. The Attaching Options have an exercise price of 1 cent and an expiry date of 31 July 2022. The full terms of the Attaching Options are set out in Schedule 1 to the Notice;
- (d) the Shares and Attaching Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price of the Shares is 0.4 cents per Share. The Attaching Options will be issued for no cash consideration;
- (f) the purpose of the issue of the Shares is to raise funds to be used as set out in Section 1.1 above. No funds will be raised from the issue of the Attaching Options;
- (g) the securities are not being issued under a relevant agreement; and
- (h) a voting exclusion statement is included in the Notice.

3. RESOLUTION 4 – ISSUE OF SHARES AND ATTACHING OPTIONS TO RELATED PARTIES TO PARTICIPATE IN THE AUGUST 2020 PLACEMENT

3.1 General

This Resolution seeks shareholder approval so that the Company may issue up to 3,000,000 Shares and 1,000,000 Attaching Options to the adult children of Paul Boyatzis, a Director of the Company. The adult children are related parties to the Company.

The participation in the August 2020 Placement will be on the same terms as all other parties.

3.2 Chapter 2E of the Corporations Act

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

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

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

The participation in the Placement, will result in the issue of securities which constitutes giving a financial benefit and the adult children of Paul Boyatzis are related parties of the Company.

The Directors other than Mr Boyatzis consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of participating in the Placement because the Shares and Attaching Options will be issued to the related parties or their nominee at the same price as the securities issued to non-related party participants in the August 2020 Placement and otherwise on reasonable commercial terms and as such the giving of the financial benefit is on reasonable arm's length terms.

3.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the securities to the adult children of Paul Boyatzis is an issue to related parties within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to the respective issue under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the securities.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue and the Company will not raise the sum of \$12,000 the subject of this Resolution and the related parties will not participate in the August 2020 Placement.

3.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the securities will be issued to Michael Boyatzis and Marc Boyatzis, the adult children of Paul Boyatzis or their nominees;
- (b) each of the adult children of Paul Boyatzis are related parties to the Company (Listing Rule 10.11.1);
- (c) the maximum number of securities the Company will issue is 3,000,000 Shares and 1,000,000 Attaching Options;
- (d) the Shares will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares. The Attaching Options have an exercise price of 1 cent and an expiry date of 31 July 2022. The full terms of the Attaching Options are set out in Schedule 1 to the Notice;
- (e) the Shares and Attaching Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the Shares will be issued at a price of 0.4 cents per Share, being the same price as all other Shares issued under the August 2020 Placement. The Attaching Options will be issued for no cash consideration;

- (g) the purpose of the issue of the Shares and Attaching Options is to enable related party participation in the August 2020 Placement. The funds raised by the August 2020 Placement is intended to be used for the purposes as set out in Section 1.1 above;
- (h) the issue of the securities is not to a Director or an associate and is not intended to remunerate or incentivise a Director;
- (i) the securities are not being issued under a relevant agreement; and
- (j) a voting exclusion statement is included in the Notice.

RESOLUTIONS 5, 6, AND 7 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTIES

4.1 General

By Resolutions 5, 6, and 7 the Company is proposing to issue Options to each of the Directors, Messrs Schwann, Boyatzis and Dr Elliott. Each of the Directors is a related party and approval is being sought under both Chapter 2E of the Corporations Act and Listing Rule 10.11. Each of these approvals are dealt with separately below.

4.2 Chapter 2E of the Corporations Act – Related Party Transactions

The proposed issue of Options to Messrs Schwann, Boyatzis and Dr Elliott as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 5, 6 and 7.

(a) **The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given**

The related parties are Peter Schwann (Resolution 5), Paul Boyatzis (Resolution 6) and Mark Elliott (Resolution 7) or their nominees.

(b) **The Nature of the Financial Benefit**

The proposed financial benefit to be given is the issue of up to:

- (i) 14,000,000 Options to Peter Schwann (or his nominee);
- (ii) 10,000,000 Options to Paul Boyatzis (or his nominee); and
- (iii) 5,000,000 Options to Mark Elliott (or his nominee).

The terms of the Options are set out in Schedule 2.

(c) **Directors Recommendation and Basis of Financial Benefit**

The Board currently consists of Peter Schwann, Paul Boyatzis and Mark Elliott.

By Resolutions 5, 6 and 7 the Company is proposing to issue Options to each of the Directors. In each case, the number of Options to be issued and the terms of the Options were negotiated by the Directors independent of the particular Director to be issued the Options.

The purpose of the Options is to provide each Director with added incentive to achieve the goals set by the Board and to add Shareholder value. The Options are issued as part of each Director's remuneration package.

The Directors independent of the particular Director to be issued the Options in each case consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Director in light of that Director's skill and experience and their current remuneration as detailed below.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Mr Peter Schwann abstains from making a recommendation to Shareholders on Resolution 5 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Paul Boyatzis abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Options.

Dr Mark Elliott abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Options.

(d) **Dilution**

The passing of Resolutions 5, 6 and 7 would have the effect of issuing up to 29,000,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 29,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 2.48% based on the total number of Shares on issue at the date of this Notice being 1,139,413,903.

The actual dilution will depend on the extent of further equity raised by the Company and whether any Options are exercised.

(e) **Total Remuneration Package of Related Parties** (effective from 1 August 2020)

The remuneration received by Peter Schwann is \$250,000 per annum as Managing Director plus any statutory superannuation entitlement (currently 9.5% per annum).

The remuneration received by Paul Boyatzis (or his nominees) is \$72,000 per annum as a Non-Executive Chairman's fee.

The remuneration received by Mark Elliott (or his nominee) is \$36,000 per annum as a Non-Executive Director's fee.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Schwann, Boyatzis and Dr Elliott and their associates have the following relevant interest in securities of the Company.

| Name | Shares | Options exercisable at 1.9 cents each expiring 30 November 2020 |
|---------------|------------|-----------------------------------------------------------------|
| Peter Schwann | 27,879,064 | 4,000,000 |
| Paul Boyatzis | 19,221,804 | 2,000,000 |
| Mark Elliott | 1,666,667 | 1,000,000 |

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

| | Date | Closing Price |
|---------------|-------------------------|---------------|
| Highest Price | 31 July & 3 August 2020 | 0.8 cents |
| Lowest Price | 23 March 2020 | 0.1 cents |
| Latest Price | 13 August 2020 | 0.7 cents |

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be issued to the Directors or their nominees using the Black-Scholes method.

The following assumptions have been made regarding the inputs required for the option pricing module:

| Input | | Note |
|--------------------------------------|-------------------|------|
| Number of options to related parties | 29,000,000 | |
| Underlying security spot price | 0.7 cents | 1 |
| Exercise price | 1 cent | 2 |
| Dividend rate | Nil | 3 |
| Volatility rate | 181% | 4 |
| Risk free rate | 0.27% | 5 |
| Expiry Date | 30 September 2023 | 6 |

Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on the valuation date of 13 August 2020 which was 0.7 cents.

Note 2 The exercise price is the greater of 1 cent or 140% of the volume weighted average price for the 5 days on which Shares trade prior to the date of the Meeting. This example uses 1 cent.

Note 3 As at the date of the valuation, the Company had not forecast any future dividend payments. For the purposes of the valuation it is therefore assumed that the Company's share price is "ex-dividend". If dividend payments were forecast, the value of the Options would be reduced.

Note 4 A volatility rate of 181% has been adopted. This rate has been calculated by reference to the closing price volatility for the Shares of the Company for the previous three years.

Note 5 The risk-free rate is 0.27% based on the current Reserve Bank Treasury Bond rates.

Note 6 The Options expire on 30 September 2023.

Based on the above assumptions the Options proposed to be issued to Directors have been valued as follows:

| Number and Value of Options | |
|-----------------------------|---------------------------------------------------------------------|
| | Options |
| Peter Schwann | 14,000,000 Options – 0.61 cents per Option (total value - \$85,400) |
| Paul Boyatzis | 10,000,000 Options – 0.61 cents per Option (total value - \$61,000) |
| Mark Elliott | 5,000,000 Options – 0.61 cents per Option (total value - \$30,500) |

(i) **Other Information**

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in issuing the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 5, 6 and 7.

4.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to various Listing Rule 10.11.1 parties unless it obtains the approval of its shareholders. The Listing Rule 10.11.1 parties are set out in Section 3.3 above.

The issue of the Options falls within Listing Rule 10.11.1 (as each of Peter Schwann, Paul Boyatzis and Mark Elliott is a Director of the Company) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

The Resolutions seek the required Shareholder approval to the issue of the Options under and for the purposes of Listing Rule 10.11.

If Resolution 5 is passed, the Company will be able to proceed with the issue of 14,000,000 Options to Peter Schwann.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the 14,000,000 Options and this incentive will not be issued to Peter Schwann.

If Resolution 6 is passed, the Company will be able to proceed with the issue of 10,000,000 Options to Paul Boyatzis.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of 10,000,000 Options and this incentive will not be issued to Paul Boyatzis.

If Resolution 7 is passed, the Company will be able to proceed with the issue of 5,000,000 Options to Dr Mark Elliott.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of 5,000,000 Options and this incentive will not be issued to Dr Mark Elliott. w

4.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 5, 6 and 7:

- (a) The Options will be issued to the Directors, Peter Schwann (Resolution 5), Paul Boyatzis (Resolution 6) and Mark Elliott (Resolution 7) or their nominees;
- (b) Each of the Directors are related parties (Listing Rule 10.11.1).
- (c) The maximum number of securities the Company will issue is 29,000,000 Options being:
 - 14,000,000 Options to Peter Schwann (or his nominee) (Resolution 5);
 - 10,000,00 Options to Paul Boyatzis (or his nominee) (Resolution 6); and
 - 5,000,000 Options to Mark Elliott (or his nominee) (Resolution 7).
- (d) The exercise price of the Options is the greater of 1 cent or 140% of the volume weighted average price for the 5 days on which Shares trade prior to the Meeting. The Options expire on 30 September 2023 and have no vesting criteria. The full terms of the Options are set out in Schedule 2;
- (e) The Options will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) The Options will be issued for no consideration and there is no issue price;
- (g) The purpose of the issue of the Options is to incentivise the Directors and to issue the Options as part of the Director's remuneration package. No funds will be raised from the issue of the Options;
- (h) The Options are intended to remunerate each Director. Each of the Director's current remuneration package is set out in Section 4.2(e) above;
- (i) The Options are to be issued as an incentive under the terms of the Director's respective employment or engagement agreement. Other than the remuneration referred to above, the other material terms of the managing director's agreement with Peter Schwann is he is engaged on an ongoing basis and either the Company or the employee may terminate without cause on 1 month's written notice as well as the Company being able to terminate upon limited events

akin to misconduct or incapacity. Other than the remuneration referred to above, each of Paul Boyatzis and Mark Elliott are engaged as non-executive directors subject to the rights of Shareholders and they must perform their role in accordance with applicable laws. Otherwise, the terms of engagement of each of the Directors is on respective standard commercial terms for an executive director and a non-executive director; and

- (j) a voting exclusion statement is included in the Notice.

5. Enquiries

Shareholders may contact Phil MacLeod on (+ 61 8) 6313 3920 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

In the Notice and this Explanatory Statement, the following expressions have the following meanings:

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

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

"**Attaching Option**" means an Option on the terms set out in Schedule 1.

"**August 2020 Placement**" means the placement of up to 670,000,000 Shares and 225,000,000 Attaching Options in total the subject of Resolutions 1, 2, 3 and 4.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" or "**Chair**" means the chairman of the Company.

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

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

"**Company**" or "**Aruma**" means Aruma Resources Limited (ACN 141 335 364).

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

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**General Meeting and Meeting**" means the meeting convened by this Notice.

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

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

"**Optionholder**" means a holder of an Option.

"**Proxy Form**" means the proxy form attached to the Notice.

"**Resolution**" means a resolution referred to in the Notice.

"**Section**" means a section contained in this Explanatory Statement.

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

"**Shareholder**" means a registered holder of shares in the Company.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.

For personal use only

SCHEDULE 1

Terms of Options (Resolutions 3 and 4)

The terms of the Options are:

1. Each Option entitles the holder to one Share (fully paid ordinary share).
2. The exercise price of the Options is 1 cent per Option.
3. The Options are exercisable at any time prior to 5.00 pm WST on 31 July 2022 ("Expiry Date").
4. The Options are freely transferable. The Options are not intended to be quoted on ASX.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
6. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares. The Company will apply for the Shares to be admitted to quotation.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised (except for a bonus issue). The Company will ensure that the Option holder will be notified of a proposed issue after the issue is announced. This will give an Option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.

SCHEDULE 2

Terms of Options to Directors (Resolutions 5, 6 and 7)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 September 2023 ("Expiry Date"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is the greater of 1 cent or 140% of the volume weighted average price for the 5 days on which Shares trade prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date ("Exercise Date").
6. Within 15 Business Days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
 - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
 - (iv) 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.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested, if applicable) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2020 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Aruma Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting **OR**

 **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 General Meeting of the Company to be held at **The Celtic Club , 48 Ord Street, West Perth, Western Australia on 29 September 2020 at 9:00am (WST)** and at any adjournment or postponement of that Meeting.

Authority for Chair to vote undirected proxies on remuneration-based resolutions (Resolutions 5, 6 and 7)

If you appoint a member of the Company's Key Management Personnel (other than the Chair of the Meeting) or a Closely Related Party of a member of the Company's Key Management Personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 5, 6 or 7 your proxy will NOT cast your vote on these Resolutions and your votes will not be counted.

If you appoint the Chair of the Meeting as your proxy (or the Chair of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 5, 6 or 7 you hereby expressly authorise the Chair of the Meeting to exercise your proxy even though these Resolutions are connected directly or indirectly with the remuneration of the members of the Company's Key Management Personnel.

CHAIRS VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair of the Meeting intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

| Resolution | For | Against | Abstain* |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1 Ratification of the First Tranche of August 2020 Placement of Shares under Listing Rule 7.1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Ratification of the First Tranche of August 2020 Placement of Shares under Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval to Issue Shares and Attaching Options for the Second Tranche of August 2020 Placement to unrelated parties | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval to Issue Shares and Attaching Options to related parties to Participate in August 2020 Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval to Issue Options to Mr Peter Schwann | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval to Issue Options to Mr Paul Boyatzis | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Approval to Issue Options to Dr Mark Elliott | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

| | | |
|------------------------------------------|-----------------------------------------|----------------------------------|
| Shareholder 1 (Individual) | Joint Shareholder 2 (Individual) | Joint Shareholder 3 (Individual) |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Sole Director and Sole Company Secretary | Director/Company Secretary (Delete one) | Director |

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

For personal use only STEP 1 STEP 2 STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 5, 6 & 7, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 5, 6 & 7.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but you do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy, you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 9:00 am (WST) on 27 September 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **BY MAIL**
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909

 **BY FAX**
+61 8 9262 3723

 **BY EMAIL**
admin@advancedshare.com.au

 **IN PERSON**
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or

 **ALL ENQUIRIES TO**
Telephone: +61 8 9389 8033