
HYDROCARBON DYNAMICS LIMITED
ABN 75 117 387 354
NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (Melbourne time)

DATE: Monday, 30 May 2022

PLACE: The meeting will be held at:

**Baker McKenzie
Level 19, 181 William Street, Melbourne VIC 3000**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on +61 3 9642 0655.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM**) of the Shareholders of Hydrocarbon Dynamics Limited (**HCD** or the **Company**) will be held on Monday, 30 May 2022 at 10.00am (Melbourne Time).

The meeting will be held physically at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne.

The meeting will **not** be held virtually.

COVID-19 rules regarding social distancing are subject to constant change. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, HCD will make further information available through the ASX website at asx.com.au (ASX: HCD) and on its website. HCD Shareholders should monitor HCD's website and its ASX announcements for any updates.

You are encouraged to lodge a proxy form. To be effective, your proxy form must be received at the share registry of the Company no later than 10.00am (Melbourne time) on 28 May 2022, being 48 hours before the AGM.

The Explanatory Statement to this Notice of Meeting provides additional information on the matters to be considered at the AGM. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 31 December 2021.

Unless the Company's Share Registry has been notified otherwise, Shareholders have not been sent a hard copy of the Annual Report. All Shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2021, on the Company's website (www.hydrocarbodynamics.com); go to "Announcements and Reports" and then "Annual Reports".

Following consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

B. ITEMS FOR APPROVAL

1. Remuneration Report

To consider and, if thought fit, to pass the following as an Advisory Resolution of the Company:

“That, the Company’s Remuneration Report for the financial year ended 31 December 2021 (set out in the Directors’ Report) be adopted.”

The Remuneration Report is set out in the 2021 Annual Report. Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth), the vote on this resolution is advisory only, and does not bind the Directors or the Company.

A vote on the resolution must not be cast (in any capacity) by or on behalf of any of the following persons - a member of the key management personnel (**KMP**), details of whose remuneration are included in the Remuneration Report or a closely related party of a KMP. However, a person described above may cast a vote on the resolution if the vote is not cast on behalf of the persons described above and:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- the vote is cast by the Chairman and the proxy does not specify the way the proxy is to vote but the Chairman is expressly authorised to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Shareholders who intend to appoint the Company’s Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading “Important information concerning proxy votes on Resolution 1”. The proxy form sets out the manner in which the Chairman intends to cast undirected proxies. The proxy form also contains the authority for the Chairman to cast undirected proxies.

2. Re-election of Director - Mr Stephen Mitchell

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

“ That Mr Stephen Mitchell who retires by rotation in accordance with Rule 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director”.

3. Re-election of Director - Mr Ray Shorrocks

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

“ That Mr Ray Shorrocks who retires by rotation in accordance with Rule 13.2 of the Company’s Constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director”.

4. Approval of 10% placement facility

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

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum to this Notice of Meeting, be and is hereby approved”.

Voting exclusion statement

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour of **Special Resolution 4** by or on behalf of:

- a person who may participate in the 10% Placement Issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this resolution is passed; or
- an associate of those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder in that way.

By order of the Board



Julie Edwards
Company Secretary
27 April 2022

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Melbourne time) on 28 May 2022 will be entitled to attend the AGM physically at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne as a shareholder.

Please note that COVID-19 rules regarding social distancing are subject to constant change.

You are encouraged to lodge a proxy form. To be effective, your proxy form must be received at the share registry of the Company no later than 10.00am (Melbourne time) on 28 May 2022, being 48 hours before the AGM as follows:

By post: Hydrocarbon Dynamics Limited
 C/- Automic Registry Services
 PO Box 2226
 Strawberry Hills NSW 2012

By delivery: Automic Registry Services
 Level 5, 126 Phillip Street
 Sydney NSW 2000

Shareholder questions

If you wish to put a question to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Company Secretary at info@hydrocarbondynamics.com. To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00pm (Melbourne time) 20 May 2022.

Questions submitted in writing to the Company Secretary will be put to the Chairman or Auditor at the Board's discretion.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the AGM to be held physically at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne at 10.00am (Melbourne time) on Monday 30 May 2022.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions at the AGM.

RESOLUTION 1: REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of director and key management personnel (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

The Remuneration Report details the remuneration policy for the Company and:

- reports the remuneration arrangements for Company Executives and Non-Executive Directors (HCD Personnel);
- explains Board policies in relation to the nature and value of remuneration paid to HCD Personnel; and
- discusses the relationship between the policy and Company performance.

The Remuneration Report is available within the Directors' Report in the Company's 2021 Annual Report (which has been made available on the HCD website, under "Announcements and Reports" and then "Annual Reports"). The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

Under the provisions of the Corporations Act and subject to the qualifications in the paragraph below, the shareholder vote is advisory only and does not bind the Directors, and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

In addition, the Corporations Act provides that, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election. So, in summary, while the shareholder vote on a Remuneration Report is advisory in respect of that Remuneration Report, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives "2 strikes".

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

A voting exclusion statement is set out in the Notice of Meeting.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR STEPHEN MITCHELL

In accordance with clause 13.2 of the Company's Constitution, Mr Mitchell retires and, being eligible, offers himself for re-election as a Director.

Mr Mitchell has a Masters Degree in International Economics and Foreign Policy from Johns Hopkins University in Washington DC. following which he spent 12 years as a natural resources specialist at investment banks and advisory firms in the US and Australia. From 1999-2011 Stephen was the Managing Director of Molopo Energy Ltd, an ASX-listed oil and gas Company that held assets in Australia, Canada, USA, China, India and South Africa. Under his stewardship, Molopo generated a 10 fold increase in shareholder value and expanded its market capitalisation from less than \$1 million into an ASX 200 company.

The Directors, with Mr Mitchell abstaining, unanimously recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3: ELECTION OF DIRECTOR – MR RAY SHORROCKS

In accordance with clause 13.2 of the Company's Constitution, Mr Shorrocks retires and, being eligible, offers himself for re-election as a Director.

Mr Shorrocks has more than 23 years' experience in corporate finance and has advised a diverse range of mining and resource companies during his career at Patersons Securities Limited, one of Australia's largest full-service stockbroking and financial services firms. He has been instrumental in managing and structuring equity capital raisings as well as having advised extensively in the area of mergers and acquisitions.

The Directors, with Mr Shorrocks abstaining, unanimously recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4: APPROVAL OF 10% PLACEMENT FACILITY

General

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 1(c) below). The Company may use funds raised from any 10% Placement Facility for its exploration expenditure requirements and general working capital.

1. Description of ASX Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice, the Company has three classes of Equity Securities on issue being Shares, Unlisted Options and Incentive Rights

(c) Formula for calculating 10% Placement Facility

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

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

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

- (a) plus the number of fully paid +ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,
- (b) plus the number of fully paid +ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the +convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- (c) plus the number of fully paid +ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or

- the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- (d) plus the number of any other fully paid +ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
- (e) plus the number of partly paid +ordinary securities that became fully paid in the relevant period,
- (f) less the number of fully paid +ordinary securities cancelled in the relevant period;

Note that A has the same meaning in ASX 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 ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 1(c) above).

(d) **Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A be in an existing quoted class and issued for cash consideration and must be not less than 75% of the volume weighted average market price of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(e) **10% Placement Period**

Assuming Resolution 4 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- (1) The date that is 12 months after the date of this AGM; or
- (2) The time and date of the entity's next annual general meeting; or
- (3) The time and date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking); or

or such longer period if allowed by ASX.

2. ASX Listing Rule 7.1A

The effect of Special Resolution 4 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1. If a Special Resolution is not passed the Company will only be able to issue Equity Securities without shareholder approval that fall within the 15% placement capacity under ASX Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3. Specific Information required by ASX Listing Rule 7.3A

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

- (a) The Equity Securities will be issued in an existing quoted class and be issued for cash consideration and must be not less than 75% of the volume weighted average market price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by the Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of unlisted options, only if the unlisted options are exercised). There is 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 of the Annual General Meeting; 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,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

The table also shows:

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

Variable "A" in ASX Listing Rule 7.1A.2 (number of shares on issue)	50% decrease in Issue Price \$0.006		Issue Price \$0.012		100% Increase in Issue Price \$0.024	
	10% Voting Dilution	Funds raised	10% Voting Dilution	Funds raised	10% Voting Dilution	Funds raised
587,053,000 (current)	58,705,300	\$352,232	58,705,300	\$704,464	58,705,300	\$1,408,927
880,579,500 (50% increase in current Variable A)	88,057,500	\$528,348	88,057,500	\$1,056,695	88,057,500	\$2,133,391
1,174,106,000 (100% increase in current Variable A)	117,410,600	\$704,464	117,410,600	\$1,408,927	117,410,600	\$2,817,854

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting;

- (ii) No options or incentive rights are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A. The Company has 46,269,645 Unlisted Options on issue at the date of this Notice of Meeting;
 - (iii) The table does not demonstrate an example of dilution that may be caused to a particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting;
 - (iv) The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule";
 - (v) The price of ordinary securities is deemed for the purposes of the table above to be \$0.012, being the closing price of the Company's listed securities on ASX on 12 April 2021 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 20% discount to market that the securities may be placed at;
 - (vi) The table does not demonstrate the effect of listed or unlisted options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking) before the anniversary of the AGM or at the time and date of the entity's next annual general meeting.
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- The Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (e) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its Annual General Meeting held on 26 May 2021.
 - (f) A voting exclusion statement is included in the Notice of Meeting to which this Explanatory Memorandum relates. At the date of that Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4. Additional Information required by ASX Listing Rule 7.3A.6

As the Company has previously obtained approval under Listing Rule 7.1A, the following additional information as prescribed by that Rule is provided:

Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months:

Listing Rule 7.3A.6(a)	Shares
Number of equity securities on issue at commencement of 12 month period	440,290,106
Equity securities issued in prior 12 month period ¹	146,762,894
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	33%

Note 1: see the table on the following pages for details of equity securities issued in the previous 12 months.

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

Date of Issue:	Number Issued:	Class/ Type of equity security:	Summary of terms:	Names of persons who received securities or basis on which those persons was determined:	Price at which equity securities were issued:	Discount to market price (if any):	<i>For cash issues:</i>				<i>For non-cash issues:</i>	
							Total cash consideration received:	Amount of cash consideration spent:	Use of cash consideration:	Intended use for remaining amount of cash (if any):	Non-cash consideration paid:	Current value of that non-cash consideration:
18/3/2022	73,780,620	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	1 for 3 Rights Issue to existing shareholders	\$0.011	None	\$811,587	None	N/A	Development and working capital	N/A	N/A
11/4/2022	16,891,364	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Rights Issue Underwriter	\$0.011	None	\$185,805	None	N/A	Development and working capital	N/A	N/A
11/4/2022	56,090,910	Fully paid ordinary shares	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company	Unrelated Sophisticated investors in Rights Issue shortfall placement with the assistance of Peloton Capital Pty Ltd	\$0.011	None	\$617,000	None	N/A	Development and working capital	N/A	N/A

A Voting Exclusion Statement is set out in the Notice of Meeting.

At the date of the Notice, the proposed allottees of any securities which may be issued in accordance with this resolution are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the securities which may be issued in accordance with this resolution), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Resolution 4 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by shareholders entitled to vote on Resolution 4 must be in favour of the resolution.

The Directors of the Company believe that Special Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.
