



Dear Shareholder

Date: 12 April 2021

ASX Code: WEL

Directors

Laurence Roe
Executive Chairman

Larry Liu
Non-Executive Director

Tony Peng
Non-Executive Director

James Allchurch
Non-Executive Director

Lloyd Flint
Company Secretary

Contact Details

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West Perth WA 6005
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winchesterenergyltd.com

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of Winchester Energy Limited (the **Company**) advises that it will be holding the annual general meeting at Ground Floor, 24 Outram Street, West Perth, Western Australia on Friday 14 May 2021 at 10.00am (WST).

Notice of Meeting

You will not be mailed a physical copy of the Notice of Meeting this year. This reflects temporary changes made by the Commonwealth Government in response to the COVID-19 pandemic, which allow notices of meeting and other information regarding a meeting to be provided online. You may contact Automic to obtain a hard copy Voting Form which will be mailed to you.

The Notice is made available to shareholders electronically and can be viewed and downloaded online from the Company's website at the following link: <https://www.winchesterenergyltd.com/investors/announcements>. A personalised proxy form will be attached to this letter.

Voting

All resolutions at the annual general meeting will be decided on a poll.

The poll will be conducted based on votes submitted by proxy and those cast at the meeting by shareholders who attend in-person.

To vote by proxy, please use one of the following methods:

By hand: Automic, Level 5, 126 Philip Street, Sydney NSW 2000

By post: Automic, GPO Box 5193, Sydney NSW 2001

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

Your proxy instructions must be received not later than 48 hours before the commencement of the meeting, being 10.00am (WST) on 12 May 2021. Proxy Forms received later than this time will be invalid. Shareholders who wish to participate and vote at the annual general meeting are strongly encouraged to complete and submit their proxies as early as possible.

The Chairperson intends to vote all open proxies **in favour** of all resolutions, where permitted.

Questions

Shareholders will be able to ask questions at the annual general meeting.

Shareholders are also encouraged to submit questions in advance of the annual general meeting to the Company. Questions must be submitted by email to admin@winchesterenergyltd.com or in writing to the Company's office by 5.00pm (WST) on Friday 7 May 2021.

There will be no presentation at the meeting.

Approved for release by the Board of Directors

Lloyd Flint

Company Secretary

E: admin@winchesterenergyltd.com

WINCHESTER ENERGY LIMITED**ACN 168 586 445****NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)
DATE: Friday, 14 May 2021
PLACE: Ground floor
24 Outram Street
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

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.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Wednesday, 12 May 2021.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2020."

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

Voting Prohibition Statement:

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

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

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

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TONY PENG

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

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Tony Peng, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF CONSULTANCY SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,435,792 Shares to the Consultant on the terms and conditions set out in the Explanatory Memorandum."

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

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

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

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF CONSULTING OPTIONS

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,250,000 Consulting Options to the Consultant on the terms and conditions set out in the Explanatory Memorandum."

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

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

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

5. RESOLUTION 5 – APPROVAL OF ISSUE OF NEW OPTIONS TO NEVILLE HENRY

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 8,000,000 New Options to Neville Henry (or his nominee), on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on in favour of the Resolution by or behalf of Neville Henry (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason

of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting Prohibition Statement:

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

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

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

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

6. RESOLUTION 6 – APPROVAL OF ISSUE OF NEW OPTIONS TO HUGH IDSTEIN

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 4,000,000 New Options to Hugh Idstein (or his nominee), on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast on in favour of the Resolution by or behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Hugh Idstein) or an associate of that person or those persons.

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

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

7. RESOLUTION 7 – APPROVAL OF ISSUE OF COO OPTIONS TO DOUG HOLLAND

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,500,000 COO Options to Doug Holland 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 a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Doug Holland) or an associate of that person or those persons.

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

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

8. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Dated: 12 April 2021

By order of the Board

**Lloyd Flint
Company Secretary
Winchester Energy Limited**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 8 9200 3743.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.winchesterenergyLtd.com.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TONY PENG

2.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Peng, who has served as a director since 1 September 2019, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Tony Peng is Houston-based and has an extensive experience in banking, investment and finance business for decades. He has worked for Bank of China for more than a decade as loan and asset management officer internationally. He has served as Chief Financial Officer for several energy companies with both public (i.e. China Recycling Energy Corp (Nasdaq: CREG), an alternative energy company during 2008-2010) and private (i.e. Amerril Energy LLC, an oil & gas E & P company focused on Texas' Eagle Ford Shale during 2012-2014) in the United States.

He is currently Chief Financial Officer for Helios Energy Ltd (ASX: HE8). Tony holds an MBA degree from University of Miami and a Bachelors degree from Shanghai Fudan University with major in International Finance.

2.3 Independence

If re-elected the Board considers Mr Peng will not be an independent Director as he has been appointed to the board as a representative of Helios Energy Ltd.

2.4 Board recommendation

The Board has reviewed Tony Peng's performance since his appointment to the Board and considers that Mr Peng's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Peng and recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF CONSULTANCY SECURITIES

3.1 Consultancy Agreement

On 25 July 2019, the Company entered into a consulting agreement with Martens Petroleum Consulting Pty Ltd (ACN 125 335 104) (**Consultant**) whereby the Company agreed to engage the Consultant to provide exploration and drilling services between 1 June 2019 and 1 January 2020 (**Consultancy Agreement**). The agreement was extended by mutual agreement to 31 December 2020.

In accordance with the terms of the Consultancy Agreement, the Company agreed to:

- (a) pay a monthly fee of \$10,000 (plus GST) to the Consultant for the exploration and drilling services provided between 1 February 2020 and 30 June 2020 and \$20,000 (plus GST) from 1 July 2020 to 31 December 2020, of which:
 - (i) 50% may be paid in cash; and
 - (ii) 50% may be paid in Shares at a deemed issue price equal to the 30-day VWAP in the respective invoice month; and
- (b) issue 2,250,000 Options to the Consultant (or its nominee) on the terms and conditions set out at Schedule 2 (**Consulting Options**). The Consulting Options will be subject to a 12 month voluntary escrow period.

3.2 General

Accordingly, and pursuant to the terms of the Consultancy Agreement, the Company has issued Consultant Shares to the Consultant at the deemed prices, and at the times as set out in the table below.

Month	Deemed Issue Price	Shares	Date
Jan 20 to Mar 20	\$0.0287	521,729	11/06/2020
Apr 20 to June 20	\$0.0231	648,510	27/07/2020
Jul 20 to Sep 20	\$0.0268	1,120,214	2/11/2020
Oct 20 to Dec 20	\$0.0262	1,145,339	16/02/2021
Total		3,435,792	

Additionally, following the successful completion of the Consultancy Agreement (and pursuant to it), the 2,250,000 Consulting Options were issued to the Consultant on 16 February 2021.

Together, the Shares issued to the Consultant, and the Consulting Options, are referred to as the **Consultancy Securities**.

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 12 month period.

Under Listing Rule 7.1A, 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%.

The Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 8 being passed at this Meeting.

The issue of the Consultancy Securities does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part

of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Consultancy Securities.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consultancy Securities.

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares to the Consultant, and Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Consulting Options.

3.3 Technical information required by Listing Rule 14.1A

If Resolutions 3 and 4 are passed, the Consultancy Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Consultancy Securities.

If Resolution 3 is not passed, the Shares issued to the Consultant will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of those Shares.

If Resolution 4 is not passed, the Consulting Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Consulting Options.

It is noted that the Company's ability to utilise the additional 10% capacity provided for in Listing Rule 7.1A for issues of equity securities following this Meeting remains conditional on Resolution 8 being passed at this Meeting.

3.4 Technical information required by Listing Rule 7.5

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

- (a) the Consultancy Securities were issued to the Consultant (being Martens Petroleum Consulting Pty Ltd (ACN 125 335 104), who is not a related party of the Company;
- (b) a total of 3,435,792 Shares and 2,250,000 Consulting Options were issued.

The Shares issued to the Consultant were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as

the Company's existing Shares. The Consulting Options were issued on the terms and conditions set out in Schedule 2;

- (c) the Consultancy Securities were issued on the dates set out in Section 3.2 above;
- (d) the Consultancy Securities were issued at a nil issue price, in consideration for services provided by the Consultant. The Company has not and will not receive any other consideration for the issue of the Consultancy Shares. Should the Consultancy Options be exercised the Company will receive funds on exercise thereof;
- (e) the purpose of the issue of the Consultancy Securities was to satisfy the Company's obligations under the Consultancy Agreement;
- (f) the Consultancy Securities were under the Consultancy Agreement. A summary of the material terms for the Consultancy Agreement is set out in Section 3.1 above; and
- (g) a voting exclusion statement is included in Resolutions 3 and 4 of the Notice.

4. RESOLUTION 5 – ISSUE OF NEW OPTIONS TO RELATED PARTY – NEVILLE HENRY

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 8,000,000 New Options to Mr Neville Henry, the Company's former Managing Director (and/or his nominee) on the terms and conditions set out below.

Resolution 5 seeks the necessary Shareholder approval in accordance with Listing Rule 10.11 for the issue of these New Options to Mr Neville Henry.

The New Options to be issued to Mr Henry (and/or his nominee) are comprised of:

- (a) 3,200,000 Class A New Options exercisable at \$0.05 per option on or before 31 December 2023;
- (b) 3,200,000 Class B New Options exercisable at \$0.055 per option on or before 31 December 2024; and
- (c) 1,600,000 Class C New Options exercisable at \$0.06 per option on or before 31 December 2025.

4.2 Background to Mr Henry's departure

Neville Henry has been a director of the Company from 1 April 2014 to 31 January 2021. He had been employed by the Company as its Managing Director from 1 April 2014 to 31 January 2021. The terms of the Employment were set out in a Consultancy Agreement between the Company and the Director dated 1 April 2014.

Mr Henry resigned as a director of the Company and the Company accepted his resignation as and from the 31 January 2021. A Deed of Termination was signed accordingly. The New Options above form part of the payments to be made on the terms set out in that Deed of Termination. The balance of payments made under the Deed of Termination were for Mr Henry to remain with the Company as a senior advisor for a consultancy period of 3 months to assist with an orderly leadership transition, as announced on 18 January 2021.

4.3 Chapter 2E of the Corporations Act

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

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

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

The issue of New Options to Mr Henry (or their nominee) constitutes giving a financial benefit and Mr Henry is a related party of the Company by virtue of being a Director within the 6-month period immediately prior to the issue of the New Options.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the New Options to Mr Henry because the agreement to issue these New Options, reached as part of the termination and consultancy package for Mr Henry, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

4.4 ASX 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:

- 10.11.1 a related party;
- 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;
- 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;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 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 New Options to Mr Henry falls 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 Shareholders under Listing Rule 10.11.

4.5 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the New Options to Mr Henry within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of these New Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of these New Options to Mr Henry and the Company may be required to re-negotiate with Mr Henry such other reasonable remuneration as may be applicable for his consultancy arrangement with the Company, which may include the payment of additional cash remuneration, reducing the Company's cash reserves.

4.6 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the New Options will be issued to Mr Neville Henry (and/or his nominee) who falls within the category set out in Listing Rule 10.11.1 as Mr Henry is a related party of the Company by virtue of being a Director within 6 months of the issue of New Options;
- (b) the number of New Options to be issued is a total of 8,000,000, comprised of
 - (i) 3,200,000 Class A New Options exercisable at \$0.05 per option on or before 31 December 2023;
 - (ii) 3,200,000 Class B New Options exercisable at \$0.055 per option on or before 31 December 2024; and
 - (iii) 1,600,000 Class C New Options exercisable at \$0.06 per option on or before 31 December 2025.
- (c) the terms and conditions of the Class A, B and C New Options are set out in Schedules 3, 4 and 5 respectively;
- (d) the New Options will be issued to Mr Henry (and/or his nominee) 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 ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options);
- (f) the purpose of the issue of the New Options is to provide cost effective consultancy remuneration to Mr Henry as he transitions out of the

Company, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Henry;

- (g) in addition to these New Options, Mr Henry will receive a consultancy fee of US\$12,000 per month for the duration of his 3-month consultancy, and a lump sum of USD\$36,000 at the conclusion of that term. These payments are the pro-rata equivalent of the termination payments due to Mr Henry pursuant to his original Consultancy Agreement dated 1 April 2014;
- (h) the value of the New Options and the pricing methodology is set out in Schedule 7; and
- (i) a voting exclusion statement is included in the Notice for this resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the New Options to Mr Henry as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of New Options to Mr Henry (and/or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 6 – ISSUE OF OPTIONS TO HUGH IDSTEIN

5.1 General

Resolution 6 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of a total of 4,000,000 New Options to Mr Hugh Idstein, who was the Company's Chief Financial Officer (and/or his nominee). As announced on 18 January 2021, Mr Idstein resigned from the Company effective 31 March 2021.

The New Options to be issued to Mr Idstein (and/or his nominee) are comprised of:

- (a) 1,600,000 Class A New Options exercisable at A\$0.05 per option on or before 31 December 2023;
- (b) 1,600,000 Class B New Options exercisable at A\$0.055 per option on or before 31 December 2024; and
- (c) 800,000 Class C New Options exercisable at A\$0.06 per option on or before 31 December 2025.

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 proposed issue of New Options to Mr Idstein falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

The effect of Resolution 6 will be to allow the Company to issue the New Options to Mr Idstein (and/or his nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the New Options to Mr Idstein. In addition, the issue of these New Options 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 Resolution 6 is not passed, the Company will not be able to proceed with the issue of the New Options to Mr Idstein, as the issue of these New Options to Mr Idstein was agreed to be expressly subject to shareholder approval. The Company may then be required to re-negotiate with Mr Idstein such other reasonable remuneration as may be applicable in substitution of these New Options, which may include the payment of additional cash amounts, reducing the Company's cash reserves.

5.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of New Options to Mr Idstein pursuant to Resolution 6:

- (a) the New Options will be issued to Mr Hugh Idstein (and/or his nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that Mr Idstein is not:
 - (i) a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the Company, an adviser of the Company or an associate of any of these parties; and
 - (ii) will be issued more than 1% of the issued capital of the Company;
- (c) the maximum number of New Options to be issued to Mr Idstein (and/or his nominee) is a total of 4,000 000, comprised of:
 - (i) 1,600,000 Class A New Options exercisable at A\$0.05 per option on or before 31 December 2023;
 - (ii) 1,600,000 Class B New Options exercisable at A\$0.055 per option on or before 31 December 2024; and
 - (iii) 800,000 Class C New Options exercisable at A\$0.06 per option on or before 31 December 2025.
- (d) the Class A, B and C New Options will be issued on the terms and conditions set out in Schedules 3, 4 and 5 respectively;
- (e) the New 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) and it is likely that issue will occur on the same date;
- (f) the New Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (g) the purpose of the issue of the New Options to Mr Idstein is to satisfy the Company's obligations under Mr Idstein's services agreement with the Company with respect to accrued payments. The Company and Mr Idstein have agreed that all accrued and outstanding amounts owed to Mr Idstein will be satisfied by the issue of these New Options;

- (h) these New Options are not being issued under an agreement other than to satisfy the Company's accrued obligations under Mr Idstein's services agreement; and
- (i) the New Options are not being issued to Mr Idstein under, or to fund, a reverse takeover.

6. RESOLUTION 7 – ISSUE OF OPTIONS TO DOUG HOLLAND

6.1 General

Mr Doug Holland joined the Company at the beginning of 2020 as Operations Manager and was appointed as the Chief Operating Officer (**COO**) effective 1 February 2021. The Company has agreed to award Mr Holland options pursuant to his joining the Company and work completed to date (**COO Options**) being 2,500,000 COO Options exercisable at 5.4c per share with an expiry date of 31 December 2025.

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 12 month period.

The proposed issue of the COO Options does not fall within any of the specified exceptions and exceeds the 15% limit in Listing Rule 7.1. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

If this Resolution 7 is passed, the Company will be able to proceed with the issue of the COO Options. In addition, the issue of the COO Options 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 7 is not passed, the issue of the COO Options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

This Resolution seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the COO Options.

6.3 Technical 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 this Resolution:

- (a) the COO Options will be issued to the COO (or his nominee);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that the COO is not:
 - (i) a related party of the Company, a member of the Company's Key Management Personnel, a substantial holder of the

Company, an adviser of the Company or an associate of any of these parties; and

- (ii) will be issued more than 1% of the issued capital of the Company;
- (c) the maximum number of COO Options to be issued is 2,500,000 (to be issued on the terms and conditions set out in Schedule 6);
- (d) the COO 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) and it is intended that issue of the COO Options will occur on the same date;
- (e) the COO Options will be issued at a nil issue price in consideration for joining the Company and work performed to date;
- (f) the purpose of the issue of the COO Options is to provide incentive-based remuneration to the COO to further align their interests with that of existing Shareholders; and
- (g) the COO Options are not being issued under, or to fund, a reverse takeover.

7. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

7.1 General

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.

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

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

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

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

7.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (i) if the Equity Securities are not issued within 10 trading days of the date in Section 10.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company may issue Equity Securities under the 7.1A Mandate as cash consideration in which case the Company intends to use funds raised for existing project development, investing in new business opportunities including an acquisition of new projects or businesses and expenses associated therewith and/or general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 30 March 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price		
			\$0.010	\$0.020	\$0.030
			50% decrease	Issue Price	50% increase
	Shares	Shares	Funds Raised		
Current	691,044,887	69,104,489	\$691,045	\$1,382,090	\$2,073,135
50% increase	1,036,567,331	103,656,733	\$1,036,567	\$2,073,135	\$3,109,702
100% increase	1,382,089,774	138,208,977	\$1,382,090	\$2,764,180	\$4,146,269

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 691,044,887 existing Shares as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 30 March 2021.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 May 2020 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 30 May 2020, the Company has not issued any Shares pursuant to the Previous Approval.

7.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in respect of this Resolution in this Notice.

SCHEDULE 1 – GLOSSARY

\$ means Australian dollars.

Consulting Options means an option to acquire a Share, granted to the Consultant pursuant to Resolution 4, on the terms and conditions set out in Schedule 2.

7.1A Mandate has the meaning given in Section 7.1

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

ASX means ASX Limited (ACN 008 624 691), or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

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 means Winchester Energy Limited (ACN 168 586 445).

Consultant means Martens Petroleum Consulting Pty Ltd (ACN 125 335 104).

Constitution means the Company's constitution.

COO Options means the Options to be issued to the Company's Chief Operations Officer pursuant to Resolution 6, on the terms and conditions of Schedule 6.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the 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.

Listing Rules means the Listing Rules of ASX.

New Option means an option to be issued to either Neville Henry or Hugh Idstein (as the context requires) pursuant to Resolutions 4 and 5, on the terms set out on Schedules 3, 4 and/or 5 (as the context requires).

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2020.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A(2).

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 2 – TERMS AND CONDITIONS OF CONSULTING OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 16 February 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 3 – TERMS AND CONDITIONS OF NEW OPTIONS – CLASS A

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 per option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 4 – TERMS AND CONDITIONS OF NEW OPTIONS – CLASS B

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be A\$0.055 per option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 5 – TERMS AND CONDITIONS OF NEW OPTIONS – CLASS C

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be A\$0.06 per option (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 6 – TERMS AND CONDITIONS OF COO OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.054 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Within 5 Business Days after the Exercise Date, the Company will:

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

If a notice delivered under (g) (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective,

lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

SCHEDULE 7 – VALUATION OF NEVILLE HENRY NEW OPTIONS

The New Options to be issued pursuant to Resolution 5 have been valued by internal management.

Using Black & Scholes option pricing model and based on the assumptions set out below, the Neville Henry Options were ascribed the following value:

Assumptions:			
Number of options	3,200,000	3,200,000	1,600,000
Valuation date	13 March 2020	13 March 2020	13 March 2020
Market price of Shares	\$0.024	\$0.024	\$0.024
Exercise price	\$0.05	\$0.055	\$0.06
Expiry date (length of time from issue)	2yrs 7mths	3yrs 7mths	4yrs 7mths
Risk free interest rate	0.11%	0.11%	0.11%
Volatility	100%	100%	100%
Indicative value per Option	\$0.01006	\$0.01210	\$0.01385
Total Value of Options	\$32,192	\$38,720	\$22,160

Note: The valuations noted above are not necessarily the market prices that the New Options could be traded at and they are not automatically the market prices for taxation purposes.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 12 May 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

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All enquiries to Automic:

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