



**Helix Resources Limited**

**ACN 009 138 738**

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**NOTICE OF ANNUAL GENERAL MEETING**

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Time: 10.00am (WST)  
Date: Friday, 30 November 2018  
Place: The Office of Ventnor Capital  
Ground Floor, 16 Ord Street, West Perth WA 6005

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 do not hesitate to contact the Company Secretary on +61 8 9321 2644.**

## Notice of Annual General Meeting

Notice is hereby given that the 2018 Annual General Meeting of the members of Helix Resources Limited (**Helix** or the **Company**) will be held at 10am (WST) on Friday, 30 November 2018 at the Office of Ventnor Capital, Ground Floor, 16 Ord Street, West Perth WA 6005.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered. Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Annual General Meeting. In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken to be those persons who are registered Shareholders of the Company as at 10am on Wednesday, 28 November 2018.

## AGENDA

### Ordinary Business

#### Financial Statements and Reports

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2018, together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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## Resolutions

### 1. Adoption of Remuneration Report (Resolution 1)

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 30 June 2018."*

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

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 1 by, or on behalf of:

- a member of the key management personnel ("KMP") as disclosed in the Remuneration Report;
- a closely related party of those persons,

*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 for the Company, or if the Company is part of a consolidated entity, for the entity.*

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### 2. Election of Director – Mr Peter Lester (Resolution 2)

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

*"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Peter Lester, a Director who was appointed as an additional Director on 25 October 2018, retires, and being eligible, is elected as a Director."*

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### 3. Re-Election of Director– Mr Jason Macdonald (Resolution 3)

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 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Jason Macdonald, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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### 4. Election of Director– Mr Timothy Kennedy (Resolution 4)

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

*“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Timothy Kennedy, a Director who was appointed as an additional Director on 16 February 2018, retires, and being eligible, is elected as a Director.”*

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### 5. Ratification of Prior issue of Shares (Resolution 5)

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 30,000,000 Shares to unrelated investors on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who participated in the issue the subject of Resolution 5 or any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### 6. Ratification of Prior issue of Options (Resolution 6)

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

*“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 1,750,000 Class E Options to Peloton Capital Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who participated in the issue the subject of Resolution 6 or any associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### 7. Issue of Class F Incentive Options to Mr Peter Lester (Resolution 7)

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

*“That, subject to resolution 2, for the purposes of section 195(4) and 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue to Mr Peter Lester (and/or his nominee) 3,000,000 Class F Incentive Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Peter Lester or any associates of Mr Lester.

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) provided the Chair is not a Resolution 7 Excluded Party, it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **8. Issue of Class F Incentive Options to Mr Michael Wilson (Resolution 8)**

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

*“That, for the purposes of section 195(4) and 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue to Mr Michael Wilson (and/or his nominee) 3,000,000 Class F Incentive Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Michael Wilson or any associates of Mr Wilson.

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) provided the Chair is not a Resolution 8 Excluded Party, it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **9. Issue of Class F Incentive Options to Mr Jason Macdonald (Resolution 9)**

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

*“That, subject to resolution 3, for the purposes of section 195(4) and 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, approval be and is hereby given to issue to Mr Jason Macdonald (and/or his nominee) 3,000,000 Class F Incentive Options on the terms and conditions set out in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Jason Macdonald or any associates of Mr Macdonald.

However, the Company will not disregard a vote if:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- b) provided the Chair is not a Resolution 9 Excluded Party, it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **10. Issue of Class F Incentive Options to various unrelated parties (Resolution 10)**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company be authorised to issue 3,000,000 Class F Incentive Options to unrelated employees on the terms and conditions as set out in the Explanatory Statement.”*

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.3 the Company will disregard any votes cast in favour of Resolution 10 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or any associates of those persons, if the resolution is passed. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## PROXIES

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at:

**By post to:** Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia.

**OR Online:** [www.investorvote.com.au](http://www.investorvote.com.au)

**OR By facsimileon:** 1800 783 447 inside Australia or (61 3) 9473 2555 if outside Australia

by not later than 10am (WST), Wednesday, 28 November 2018.

Each Shareholder is entitled to appoint a proxy. The proxy does not need to be a member of the Company.

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 no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

## BYORDER OF THE BOARD



**Ben Donovan**

**Company Secretary**

## Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders of Helix Resources Limited (**Helix** or the **Company**) in connection with the business to be conducted at an Annual General Meeting of Shareholders to be held at the Office of Ventnor Capital, Ground Floor, 16 Ord Street, West Perth WA 6005 on Friday, 30 November 2018 at 10 am.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

Shareholders should note that all the Directors approved the proposal to put the Resolutions to Shareholders as outlined in the Notice of Annual General Meeting and to prepare this Explanatory Statement.

## Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise 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.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or

➤ the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties may not be able to vote as proxy on Resolution 1 unless the Shareholder directs them how to vote or, in the case of the Chairman, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairman) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolution 1.

If a Shareholder intends to appoint the Chairman as its proxy on Resolution 1 the Shareholder can direct the Chairman how to vote by marking one of the boxes for Resolution 1 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairman how to vote, the Shareholder can expressly authorise the Chairman to vote as the Chairman thinks fit on Resolution 1 by marking the appropriate box on the Proxy Form even if the Chairman has an interest in the outcome of that Resolution.

To vote by proxy, please complete and sign the enclosed Proxy Form so that it is received by no later than 10am (WST) on Wednesday, 28 November 2018. Proxy Forms received later than this time will be invalid.

## Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10am (WST) on Wednesday, 28 November 2018. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

### 1. Financial Statements and Reports

The Corporations Act requires the Annual Report of the Company for the year ended 30 June 2018, which includes the Financial Report of the Company, the Directors' Report, the Remuneration Report and the Auditor's Report, to be laid before the Annual General Meeting. The financial statements and reports are contained in the Annual Report. Shareholders who have elected to receive the Annual Report have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

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### 2. Resolution 1 - Adoption of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind 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 Report.

If at least 25% of the votes cast on this Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2019 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of the Directors (**Spill Resolution**). If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2019 annual general meeting. All of the Directors who were in office when the Company's 2018 Directors' report (as included in the company's 2018 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 is approved will be the directors of the Company.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

#### 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.

#### If you appoint a member of the Key Management Personnel (other than the Chair) as your proxy for this Resolution:

If you elect to appoint a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, you must direct the proxy how they are to vote. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

#### If you appoint the Chair as your proxy for this Resolution:

If you elect to appoint the Chair as your proxy (where he or she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member, you do not need to direct the Chair how you wish them to exercise your vote on Resolution 1. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.



### **3. Resolution 2 - Election of Director – Peter Lester**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Peter Lester, having been appointed on 25 October 2018 will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Peter Lester has over 40 years' experience in the mining industry and has held senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana/Oz Minerals Limited and Citadel Resource Group Limited. Mr Lester's experience covers operations, project and business development and general corporate activities including financial services. Mr Lester has served on several ASX listed and private mining boards and is currently a non-executive director of Millennium Minerals Ltd and White Rock Minerals Ltd.

Mr Lester has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Lester will be an independent director.

The Board supports the re-election of Mr Lester and recommends that Shareholders vote in favour of Resolution 2.

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### **4. Resolution 3–Re- Election of Director – Jason Macdonald**

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that at the Company's annual general meeting in every year, one-third of the Directors for the time being shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A Director who retires by rotation under clause 13.2, is eligible for re-election.

The Company currently has three Directors (excluding the Managing Director) and accordingly one must retire.

Mr Jason Macdonald, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Macdonald is a qualified legal practitioner, he has practiced in both mining corporate/commercial and commercial litigation. Mr Macdonald is also a director of several private resource companies and has a diverse range of corporate, equity capital market and mining related experience.

The Board supports the re-election of Mr Macdonald and recommends that Shareholders vote in favour of Resolution 3.

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### **5. Resolution 4 - Election of Director – Timothy Kennedy**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Timothy Kennedy, having been appointed on 16 February 2018 will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

A description of Mr Kennedy's qualifications and experience is set out on page 9 of the 2018 Annual report.

Mr Kennedy has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Kennedy will be an independent director.

The Board supports the re-election of Mr Kennedy and recommends that Shareholders vote in favour of Resolution 4.

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## **6. Resolution 5—Ratification of prior share issue**

### **6.1. Background**

On 19 October 2018, the Company issued 30,000,000 Shares to various unrelated sophisticated investors at an issue price of \$0.03 per Share to raise approx. \$900,000 in working capital.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the ratification of the issue of the 30,000,000 Shares to various sophisticated investors as part of this placement.

### **6.2. ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

### **6.3. ASX Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues of shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.4. Compliance with Listing Rule 7.5**

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue pursuant to Resolution 5:

- (a) 30,000,000 Shares were issued, within the Company's 15% capacity under Listing Rule 7.1;
- (b) the Shares were issued for consideration of \$0.03 per share;
- (c) the Shares issued were all fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) all shares were issued to Unrelated Parties who are sophisticated or excluded investors; and
- (e) the funds raised of \$900,000 will be used to further advance the Company's exploration programmes and for working capital purposes.

The Directors recommend that Shareholders vote in favour of Resolution 5 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 5.

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## **7. Resolution 6 – Ratification of prior option issue**

### **7.1. Background**

On 19 October 2018, the Company issued 1,750,000 Class E Options to Peloton Capital Pty Ltd in consideration for assistance in raising capital via a placement.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the ratification of the issue of the 1,750,000 Class E Options to various sophisticated investors as part of this placement.

## 7.2. ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

## 7.3. ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) the issue will be treated as having been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues of shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 7.4. Compliance with Listing Rule 7.5

The information required to be provided to Shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue pursuant to Resolution 6:

- (a) 1,750,000 Class E options were issued, within the Company's 15% capacity under Listing Rule 7.1;
- (b) the Class E Options were issued for nil consideration;
- (c) the Class E Options are a new class of option, exercisable at \$0.08 on or before 19 April 2019. Once converted into Shares, the Shares will rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) the terms of the Class E Options are set out in Annexure A;
- (e) all Class E Options were issued to Peloton Capital Pty Ltd, an unrelated party, for assistance with the capital raising; and
- (f) assuming the Class E options are exercised, the funds raised of \$140,000 will be used to further advance the Company's exploration programmes and for working capital purposes.

The Directors recommend that Shareholders vote in favour of Resolution 6 to fully restore the Company's capacity to issue securities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 6.

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## 8. Resolution 7-9 – Issue of Incentive Options to Mr Wilson, Mr Macdonald and Mr Lester

### BACKGROUND

The Company is seeking Shareholder approval to issue a total of 3,000,000 Class F Incentive Options to Mr Lester, Mr Wilson and Mr Macdonald under Resolutions 7, 8 and 9 respectively, in accordance with section 208 of the Corporations Act and Listing Rule 10.11. The Company proposes to issue the Incentive Options to each of Mr Lester, Mr Wilson and Mr Macdonald as follows:

Type	Number	Exercise premium	Indicative exercise price	Vesting date	Expiry date
Class F Incentive Options	1,000,000	The greater of 145% of the current share price, or \$0.065*	\$0.051*	Immediately upon grant date	36 months from grant date

Class F Incentive Options	1,000,000	The greater of 145% of the current share price, or \$0.065*	\$0.051*	12 months from grant date	36 months from grant date
Class F Incentive Options	1,000,000	The greater of 145% of the current share price, or \$0.065*	\$0.051*	24 months from grant date	36 months from grant date

\*Premium to be calculated relative to the 5 day Volume Weighted Average Price (VWAP) immediately prior to the date of the meeting, with an indicative exercise price shown above based on an assumed \$0.032 VWAP share price. However, the exercise price is set as the greater of the greater of 145% of the current share price, or \$0.065, so the minimum exercise price will be \$0.065.

The Company believes that the Class F Incentive Options provide a means to incentivize Mr Lester, Mr Wilson and Mr Macdonald's future ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The Company reviewed the practices of other companies of a similar size and stage of development to determine the number of ESOP Options required to be issued to attract and retain senior directors. Based on that review, the Board determined the number of ESOP Options to be issued to Mr Lester, Mr Wilson and Mr Macdonald in Resolutions 7, 8 and 9 respectively to be appropriate and reasonable.

The benefit from the Incentive Options will only be received if the Company's Share Price exceeds the exercise price of the Options at the time of exercise.

The Options will vest as follows:

- i (i) One third (1/3) immediately upon grant date
- i (ii) One third (1/3) 12 months from grant date
- i (iii) One third (1/3) 24 months grant date

The Company is seeking Shareholder approval to issue the Incentive Options in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

#### **SECTION 208 OF THE CORPORATIONS ACT**

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As a Director Mr Lester, Mr Wilson and Mr MacDonald, a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Options under Resolution 7, 8 and 9 to Mr Lester, Mr Wilson and Mr Macdonald, as a related party of the Company.

Since a majority of Board members have a material personal interest in the Class F Incentive proposed to be issued to the Directors under Resolutions 7 to 9 inclusive, the Board is not competent under section 195(4) of the Corporations Act to form a quorum for the purpose of considering whether any of the exceptions in Chapter 2E of the Corporations Act applies. None of the exceptions can therefore be considered to apply and Shareholder approval must therefore be sought in relation to Resolutions 7 to 9 inclusive.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 7 to 9 inclusively.

**a) The related party to whom the financial benefits to be given**

- Resolution 7 – Mr Peter Lester (and/or his nominee)
- Resolution 8 – Mr Michael Wilson (and/or his nominee).

Resolution 9 – Mr Jason Macdonald (and/or his nominee).

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

The Company wishes to incentivize the Directors at a time when the Company is looking to advance development of the Company's projects. In order to maintain cash reserves, the Company has decided to incentivize the board members via the issue of Options. The financial benefit constitutes the issue of Class F Incentive Options which will be issued for nil consideration and enables the holders to subscribe for Shares in the capital of the Company, credited as fully paid, on the terms as set out in of Annexure B.A total of 9,000,000 Class F Incentive Options will be issued under Resolutions 7 to 9 inclusively.

**c) Other Information that is Reasonably Required by Members to Make a Decision and that is known to the Company or any of its Directors**

The Class F Incentive Options the subject of Resolutions 7 to 9 inclusively have been valued using the Black-Scholes pricing model, based on the following assumptions:

- a) the Options are to be exercisable at a the greater of a 45% premium to the 5 trading day VWAP prior to the date of issue of the Class F Incentive Options, or \$0.065. For these calculations the price of \$0.065 has been used;
- b) the Class F Incentive Options are to be exercised by 30 November 2021;
- c) price volatility of the Shares is approximately 100%;
- d) the last closing Share price as at the date of this Notice of Meeting is 3.2 cents per Share;
- e) no discount for non-transferability;
- f) The underlying shares do not currently pay a dividend; and
- g) the average current risk free interest rate is 2.75%.

On this basis, the implied "value" being received by the Related Party is 2 cents per Class F Incentive Options. The total value of the Class F Incentive Options proposed to be issued under Resolution 7, 8 and 9 respectively is \$180,000.

**d) Current remuneration and security interests**

Details of Mr Lester, Mr Wilson, Mr Macdonald's current remuneration, as well as their security interests (both direct and indirect) in the Company as at the date of the Notice, are outlined below:

Director	Salary/fees	Security interests
Michael Wilson	\$218,000 per annum <sup>1</sup>	3,504,434 Shares 3,000,000 Options <sup>2</sup>
Jason Macdonald	\$40,000 per annum <sup>1</sup>	10,077,500 Shares 3,000,000 Options <sup>2</sup>
Peter Lester	\$55,000 per annum <sup>1</sup>	Nil

**Notes:**

<sup>1</sup> Includes 9.5% compulsory superannuation.

<sup>2</sup> Options exercisable at 0.0675 cents expire 15 November 2018

**e) Dilution**

If all of the Incentive Options issued under Resolution 7-9 respectively were converted into Shares, and no other Shares were issued by the Company, the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 2.1%.

**f) Accounting**

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Incentive Options under Resolution 7-9) will be recognized as an expense in respect of the services received.

**g) Trading history**

As at the date of the Notice, the Company had 424,466,692 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.055 and \$0.027 respectively. The closing market sale price of the Company's Shares on the ASX on 23 October 2018 was \$0.032.

As at the date of the Notice, the Company had 13,150,000 Class A Unlisted Options, 500,000 Class B Unlisted

Options, 3,000,000 Class C Unlisted Options, 3,000,000 Class D Unlisted Options and 1,750,000 Class E Unlisted Options.

<b>Class A</b>	<b>Tranche1</b>	<b>Tranche2</b>	<b>Tranche3</b>
Number of options	4,750,000	4,750,000	3,650,000
Exercise price	\$0.0675	\$0.0675	\$0.0675
Expiry date	15 Nov 2018	15 Nov2018	15 Nov2018
Vesting date	15 Nov2015	15 Nov2016	15 Nov2017

<b>Class B</b>	<b>Tranche1</b>
Number of options	500,000
Exercise price	\$0.0675
Expiry date	12 May 2019
Vesting date	12 May 2016

<b>Class C</b>	<b>Tranche1</b>	<b>Tranche2</b>	<b>Tranche3</b>
Number of options	1,000,000	1,000,000	1,000,000
Exercise price	\$0.0673	\$0.0673	\$0.0673
Expiry date	2May2020	2May2020	2May2020
Vesting date	3 May 2017	3 May 2018	3 May 2019

<b>Class D</b>	<b>Tranche1</b>	<b>Tranche2</b>	<b>Tranche3</b>
Number of options	1,000,000	1,000,000	1,000,000
Exercise price	\$0.0607	\$0.0607	\$0.0607
Expiry date	5 April 2021	5 April 2021	5 April 2021
Vesting date	5April2018	5 April2019	5 April 2020

<b>Class E</b>	
Number of options	1,750,000
Exercise price	\$0.08
Expiry date	19 March 2019

#### **h) Terms of securities**

The terms of the Incentive Options are set out in Annexure B.

#### **i) Opportunity costs to the Company**

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

**j) Intended use of funds raised**

There will be no funds raised in connection with the issue of the Incentive Options under Resolution 7-9 as the Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Incentive Options at the discretion of the Board.

**k) Directors' interests**

Mr Lester, Mr Wilson and Mr Macdonald have a material personal interest in the outcome of Resolutions 7-9 respectively as the recipient of the Incentive Options. No other Director has a material personal interest in the outcome of Resolution 7-9 respectively.

**l) Directors' recommendations**

Each of Mr Lester, Mr Wilson, and Mr Macdonald decline to make a recommendation in relation to how Shareholders should vote on Resolutions 7, 8 and 9 because they have a material personal interest in the outcome of Resolutions 7, 8 and 9. Mr Kennedy is the only Director without an interest in the outcome of the Resolutions and recommends Shareholders vote in favour of Resolutions 7, 8 and 9.

**The Chairman intends to vote all available proxies in favour of Resolution 7, 8 and 9.**

**m) Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 7-9 respectively.

**LISTING RULE 10.11**

Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As a Director, Mr Peter Lester, Mr Michael Wilson, Mr Jason Macdonald and are a related party of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Incentive Options under Resolution 7-9 to and Mr Peter Lester, Mr Michael Wilson and Mr Jason Macdonald respectively as a related party of the Company.

The issue of the Incentive Options under Resolution 7-9 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those Incentive Options (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolution 7-9:

**a) Name of the persons**

Resolution 7 – Mr Peter Lester (and/or his nominee)  
Resolution 8 – Mr Michael Wilson (and/or his nominee).  
Resolution 9 – Mr Jason Macdonald (and/or his nominee).

**b) Maximum number of securities to be issued**

3,000,000 Class F Incentive Options for each director being a total of 9,000,000 Class F Incentive Options.

**c) Date by which the entity will issue the securities**

The Class F Incentive Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

**d) Relationship that requires Shareholder approval**

Mr Wilson, Mr Macdonald and Mr Lester are a related party of the Company by virtue of being a director of the Company.

**e) Issue price of the securities**

The Class F Incentive Options will be issued without payment of cash consideration.

#### **f) Terms of the issue**

The terms of the Class F Incentive Options are set out in Annexure B.

#### **g) Intended use of the funds raised**

There will be no funds raised in connection with the issue of the Class F Incentive Options under Resolution 7-9 respectively as the Class F Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Class F Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Class F Incentive Options at the discretion of the Board.

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### **9. Resolution 10 – Issue of Class F Incentive Options to key staff and contractors**

#### **9.1 Background to Resolution 10**

The Company has various key staff and contractors that it wishes to incentivize via the issue of the Class F Incentive Options.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.3 for the issue of the 3,000,000 Class F Incentive Options to various unrelated employees of the Company.

#### **9.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity, if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 3,000,000 Class F Incentive Options. If Resolution 10 is passed, following the issue of the Class F Incentive Options the subject of Resolution 10, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those Class F Incentive Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the Class F Incentive Options the subject of Resolution 10 must occur no later than 3 months, or such later date as permitted by ASX, from the date of the Meeting.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Class F Incentive Options under Resolution 10:

- (a) the maximum number of Class F Incentive Options to be issued under Resolution 10 is 3,000,000;
- (b) the Class F Incentive Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules); issue may occur progressively;
- (c) The Class F Incentive Options will be issued for nil consideration;
- (d) the Class F Incentive Options will be issued, without disclosure, to the unrelated Parties of the Company who are employees or consultants to the Company;
- (e) the terms of the Class F Incentive Options are set out in Annexure B, and once exercised will rank equally in all respects with the existing class of quoted fully paid ordinary shares on issue, the terms of which are in the public domain; and
- (f) in the event that the Class F Incentive Options are exercised, any funds raised upon the issue of the Shares will be used for exploration activity at the Company's exploration projects and for general working capital.

#### **9.3 Directors Recommendation**

Each of the Directors recommend that Shareholders should vote in favour of Resolution 10 in order to maximise the Company's flexibility to raise additional working capital beyond that possible under the existing capacities under Listing Rule 7.1.

The Chairman intends to vote all available proxies in favour of Resolution 10.

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## DEFINITIONS

**\$** means Australian dollars

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

**Annual Report** means the annual report of the Company for the financial year ended 30 June 2018.

**ASX** means Australian Securities Exchange Limited

**ASX Listing Rules** means the official listing rules of ASX

**Chair/ Chairman** means the chair of the Meeting.

**Class E Option** means an option as set out in Annexure A.

**Class F Incentive Option** means an option as set out in Annexure B.

**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

a person prescribed by the Corporations Regulations 2001 (Cth).

**Company Secretary** means The company secretary of the Company

**Constitution** means The constitution of the Company.

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

**Director** means a director of the Company

**Directors** means the current directors of the Company

**Explanatory Statement** means the explanatory statement accompanying the Notice

**Helix** or the **Company** means Helix Resources Limited (ACN 009 138 738)

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Option** means an option to subscribe for one Share.

**Optionholder** means A holder of Options.

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

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

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

**Shareholder** means a holder of a Share

## ANNEXURE A – CLASS E OPTIONS

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1. Each Class E Option entitles the holder to acquire one fully paid ordinary Share in the Company.
2. The Class E Options are exercisable on or before 19 April 2019.
3. Each Class E Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the exercise price of \$0.08.
4. The Class E Options will not be transferable.
5. Class E Option holders shall only be permitted to participate in new issues of securities on the prior exercise of Class E Options in which case the Class E Optionholders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Class E Option.
6. Shares issued on the exercise of Class E Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of a Class E Option will rank equally with the then issued ordinary Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of a Class E Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Class E Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
8. If there is a bonus issue to Shareholders, the number of Shares over which the Class E Option is exercisable may be increased by the number of Shares which the holder of the Class E Option would have received if the Class E Option had been exercised before the record date for the bonus issue.
9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Class E Options may be reduced in accordance with Listing Rule 6.22.
10. Application will not be made for the Class E Options to be quoted on the Official List of the ASX.

## ANNEXURE B – CLASS F INCENTIVE OPTIONS

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### General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 Each Incentive Options shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.3 Subject to these terms, the Incentive Options will automatically vest as follows: (a) One third immediately upon grant date  
(b) One third 12 months from grant date; and  
(c) One third 24 months from grant date. (**Vesting Dates**) and are exercisable at any time after the Vesting Dates until 36 months from grant date (**Expiry Date**).
- 1.4 The Options are forfeited if the Incentive Option holder's employment with the Company ceases prior to the Options vesting.
- 1.5 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Option holder**) to the balance of the Incentive Options held by the Incentive Option holder.
- The exercise price of each Class F Incentive Option will be the greater of 145% of the current share price\*, or \$0.065 (**Indicative Exercise Price**).
- \*Premium to be calculated relative to the 5 day Volume Weighted Average Price (VWAP) immediately prior to the date of the meeting, indicative exercise price is based on \$0.032 VWAP share price with a minimum of \$0.065.*
- 1.6 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.7 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
- (a) The option certificate for those Incentive Options for cancellation by the Company; and  
(b) Payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice. The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.8 The Company shall all other resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.9 Incentive Options may be exercised into Shares to be held in the name of the Incentive Option holder's nominee.
- 1.10 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.
- 1.11 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.12 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.
- 1.13 The Incentive Option holder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Option holder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Option holder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 1.14 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Option holder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case maybe) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 1.15 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.16 If, prior to the expiry of any Incentive Options, there is a reorganization of the issued capital of the Company, then the rights of the Incentive Option holder (including the number of Incentive Options to which each Incentive Option holder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganization of capital at the time of the reorganization.
- 1.17 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

## 2. Lapse of Incentive Options

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Option holder dies, the deceased Incentive Option holder's legal personal representative may: (a) Elect to be registered as the new holder of the deceased Incentive Option holder's Incentive Options; (b) Whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Option holder of them; and (c) If the deceased Incentive Option holder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Option holder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or termination.
- 2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Option holder's engagement with the Company: (a) A party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class there of pursuant to section 411 of the Corporations Act; (b) A party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or (c) A person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Option holder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Option holder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.