

19 October 2020

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Strategic Energy Resources Limited (Company) will be held virtually via a webinar conferencing facility at 10.00am (AEDT) on Wednesday, 18 November 2020 (AGM, Annual General Meeting or Meeting).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead the Notice of Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

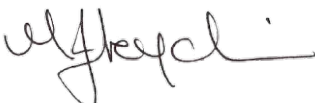
- You can access the Meeting Materials online at the Company's website <https://www.strategicenergy.com.au/> or at or at the Company's share registry's website (www.linkmarketservices.com.au) through Investor Centre.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "SER".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.
- You can also download SER's 2020 Annual Report from the link <https://www.asx.com.au/asxpdf/20200818/pdf/44lm12ph96gjxv.pdf>.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at www.linkmarketservices.com.au. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry LINK on www.linkmarketservices.com.au or by phone on 1300 554 474 (within Australia) or on +61 1300 554 474 (Outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday, to obtain a copy.

As a result of the potential health risks and the Governments restrictions in response to the COVID-19 pandemic, the Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Meeting are contained in the Meeting Materials. The Company strongly recommends to Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

Yours sincerely,



Melanie Leydin
Company Secretary
Strategic Energy Resources Limited



STRATEGIC ENERGY RESOURCES LIMITED
ACN 051 212 429

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Wednesday, 18 November 2020

Time of Meeting:
10.00AM (AEDT)

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no.1) 2020, **no hard copy** of the Notice of Annual General Meeting and Explanatory Memorandum will be circulated. A Notice of Access and Proxy Form will be delivered by mail providing instruction on how to vote and attend the meeting. The Notice of Meeting has been given to those entitled to receive by use of one or more technologies. The Notice of Meeting is also available on the Australian Stock Exchange Announcement platform and on the Company's website (<https://www.strategicenergy.com.au/asx-announcements/>).

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Strategic Energy Resources Limited (Company) will be held virtually via a webinar conferencing facility at 10.00am (AEDT) on Wednesday, 18 November 2020 (AGM, Annual General Meeting or Meeting).

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances results from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting.

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be provided along with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Shareholders attending the AGM virtually will be able to ask questions and the Company has made provision for Shareholders who register their attendance before the start of the meeting to also cast their votes on the proposed resolutions at the AGM. The virtual meeting can be attended using the following details:

When: Wednesday, 18 November 2020 at 10.00am (AEDT)

Topic: Strategic Energy Resources Limited Annual General Meeting

Register in advance for this webinar:

https://us02web.zoom.us/webinar/register/WN_4JiORcatT2-pYqVoH_bchg

After registering, you will receive a confirmation email containing information about joining the meeting. The Company strongly recommends its Shareholders to lodge a directed proxy as soon as possible in advance of the meeting even if they are planning to attend the meeting online.

The Company is happy to accept and answer questions submitted prior to the meeting by email to info@strategicenergy.com.au. Where a written question is raised in respect of the key management personnel of the Company, the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions). If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the AGM online should therefore monitor the Company's website and its ASX announcements for any updates about the AGM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: SER) and on its website at www.strategicenergy.com.au

STRATEGIC ENERGY RESOURCES LIMITED

ACN 051 212 429

Registered Office: Level 4, 100 Albert Road, South Melbourne VIC 3205

AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

ORDINARY BUSINESS

Receipt and Consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2020.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no Resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 30 June 2020 be adopted."

Resolution 2: Re-election of Dr David De Tata as a Director of the Company

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

"That, in accordance with rule 9.1 of the Constitution and for all other purposes, Dr David De Tata, who retires by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3: Election of Mr Anthony McIntosh as a Director of the Company

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

"That, Mr Anthony McIntosh, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."

Resolution 4: Approval to Grant Options to Mr Stuart Rechner

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to grant up to 4,000,000 Options in the Company to Mr Stuart Rechner or his nominee(s) (an Executive Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

Resolution 5: Approval to Grant Options to Dr David DeTata

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to grant up to 3,000,000 Options in the Company to Dr David DeTata or his nominee(s) (a Non-Executive Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

Resolution 6: Approval to Grant Options to Mr Anthony McIntosh

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to grant up to 2,000,000 Options in the Company to Mr Anthony McIntosh or his nominee(s) (a Non-Executive Director of the Company), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting."

Resolution 7: Approval to Grant Options to Mr Harvey Kaplan

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given to grant up to 600,000 Options in the Company to Mr Harvey Kaplan or his nominee(s) (previously a Non-Executive Director of the Company having resigned on 7 October 2020), on the terms and conditions set out in the Explanatory Statement accompanying the Notice of Meeting.”

SPECIAL BUSINESS

Resolution 8: Renewal of Proportional Takeover Provision

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

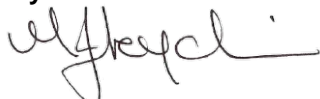
“That, for the purposes of Sections 136(2) and 648G(4) of the Corporations Act 2001(Cth) and for all other purposes shareholders approve the renewal of the proportional takeover provisions contained in Rule 7 of the Company’s Constitution for a further period of three years commencing from the date of the Meeting.”

Resolution 9: Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

By order of the Board



Melanie Leydin
Company Secretary
11 October 2020

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00pm on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution or the Corporations Act.
 - e. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - f. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - g. A proxy form must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
 - h. To be effective, proxy forms must be received by the Company's share registry (Link Market Services Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 10.00am (AEDT) on Monday, 16 November 2020. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting 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 and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. How the Chair will vote Undirected Proxies

Subject to the restrictions set out in Note 6 below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

6. Voting Exclusion Statement:

Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (**KMP voter**), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the Chair of the meeting and the appointment of the Chair as proxy:
 - a. does not specify the way the proxy is to vote on the resolution; and
 - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or the consolidated entity.

If you appoint the Chair as your proxy and you do not direct the Chair how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their Proxy Form the way the Chair must vote, in favour of Resolution 1. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

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

Resolutions 2, 3 and 8

There are no voting exclusions on these Resolutions.

Resolutions 4, 5, 6 and 7

The Company will disregard any votes cast in favour of each of Resolutions 4, 5, 6 and 7 (respectively and separately) by or on behalf of

- Stuart Rechner, David DeTata, Anthony McIntosh and Harvey Kaplan, or any person(s) who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or
- an associate of person referred to in the preceding paragraph.

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

- i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, a vote must not be cast as proxy on any Resolutions 4 to 7 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on any Resolutions 4 to 7 as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chairman is the Restricted Voter and the written appointment of the Chairman as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chairman to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the Key Management Personnel.

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company

Resolution 9

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

7. Special Resolution

Resolutions 8 and 9 are proposed as special resolutions. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

8. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Purpose of Information

This Explanatory Statement (“Statement”) accompanies and forms part of the Company’s Notice of Annual General Meeting (“Notice”) for the 2020 Annual General Meeting (“Meeting”) will be held virtually via a webinar conferencing facility at 10.00am (AEDT) on Wednesday, 18 November 2020.

The Notice incorporates, and should be read together, with this Statement.

Receipt and Consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2020 which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report and the Auditors Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at +61 3 9692 7222, and you may request that this occurs on a standing basis for future years.

Alternatively, you may access the Annual Report at the Company's website: www.strategicenergy.com.au or via the Company's announcement platform on ASX under the ASX Code “SER”. Except as set out in Resolution 1, no Resolution is required on these reports.

Shareholders will have the opportunity to ask questions about or make comments on, the 2020 Annual Report and the management of the Company. The auditor will be invited to attend, to answer questions about the audit of the Company’s 2020 Annual Financial Statements.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors’ Report in the Company’s 2020 Annual Report. The Remuneration Report sets out the Company’s remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Annual General Meeting. ‘

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company’s last Annual General Meeting, the votes cast against the Remuneration Report represented less than twenty five (25%) per cent of the total votes cast on that resolution and accordingly, a spill resolution will not under any circumstances be required for the Meeting.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company’s remuneration policies.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors recommend that shareholders vote in favour of Resolution 1 to adopt the Remuneration Report.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 2: Re-election of Dr David DeTata as a Director of the Company

Background

The Constitution of the Company requires that at every Annual General Meeting, one third of Directors (excluding the Managing Director) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Dr David DeTata being eligible, offers himself for re-election.

Dr David DeTata is an experienced scientific professional and public company director with over 15 years' experience in scientific research and investigations. Dr DeTata holds a Doctor of Philosophy in energetic materials characterisation and Master of Business Administration from the University of Western Australia.

Board Recommendation

The Board (with Dr DeTata abstaining), recommends that Shareholders vote in favour of the re-election of Dr DeTata.

The Chair of the Meeting intends to vote undirected proxies in favour of Dr David DeTata's re-election.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 3: Election of Mr Anthony McIntosh as a Director of the Company

Background

Mr Anthony McIntosh was appointed as a Non-Executive Director of the Company on 7 October 2020 replacing Mr Harvey Kaplan and is eligible for election under the Company's Constitution.

Mr McIntosh brings investor relations, marketing and strategic planning skills, as well as a strong network of stockbroker and fund manager supporters. Mr McIntosh served as a board member of Echo Resources Ltd for seven years until it was acquired by Northern Star Resources for \$235 million in 2019. He holds board positions with several listed and unlisted companies, including gold and copper explorer, Alice Queen Ltd.

Mr McIntosh holds a Bachelor of Commerce Degree from Bond University and is a graduate of the Australian Institute of Company Directors. He manages a portfolio of investments, including both listed and unlisted companies as well as rural, residential and commercial properties.

Directors Recommendation

The Board (with Mr McIntosh abstaining) recommends that shareholders vote in favour of the election of Mr McIntosh. The Chairman of the meeting intends to vote undirected proxies in favour of Mr McIntosh's election.

Voting Exclusions

There are no voting exclusions for this Resolution.

Resolution 4, 5, 6 and 7: Issue of Options to Mr Stuart Rechner, Dr David DeTata, Mr Anthony McIntosh and Mr Harvey Kaplan

Background

To facilitate the purposes of maintaining financial liquidity, minimising cash outflows and remunerating the Directors for their extensive contribution towards promoting the Company's operations, the Company is proposing to grant Options to Directors of the Company.

The Company is seeking Shareholder approval for the grant of Options to persons listed below (or their nominee(s)) (being a right to acquire fully paid ordinary shares in the Company equivalent to number of options) on the terms as described below.

Terms of Options proposed to be issued to Mr Stuart Rechner, Dr David DeTata and Mr Anthony McIntosh (or their nominees)

- vest immediately upon issue;
- exercise price: \$0.10 (10 cents per Option);
- expire 3 years from the date of grant; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company.

Terms of Options proposed to be issued to Mr Harvey Kaplan (or his nominee (s))

- vest immediately upon issue;
- exercise price: \$0.10 (10 cents per Option);
- expire 12 December 2022; and
- upon exercise, entitle the holder to one fully paid ordinary share in the Company.

Details of the option grant for each recipient is outlined below:

Resolution	Name of the Director	Nature	Number of Options
4	Mr Stuart Rechner	Executive Chairman	4,000,000
5	Dr David DeTata	Non-Executive Director	3,000,000
6	Mr Anthony McIntosh	Non-Executive Director	2,000,000
7	Mr Harvey Kaplan*	Former Non-Executive Director	600,000

*Mr Harvey Kaplan resigned from the Board on 7 October 2020 and as such is still considered a related party as he held a Director position within six months of the proposed issue date. The Board believe that it is reasonable to issue Mr Kaplan with options for his services to company up to the date of his resignation.

The full terms of the Options are set out in Annexure A of this Explanatory Statement.

Directors' Remuneration Packages and Interests

As at the date of this Notice, the details (including the amount) of the current total remuneration package of each of the Directors (including former Director) to whom (or to whose nominee(s)) Options would be issued if Resolutions 4, 5, 6 and 7 are passed are:

Name of the Director	Nature	Remuneration Package Details
Mr Stuart Rechner	Executive Director	\$60,000 per annum plus statutory superannuation entitlements for Director services. Plus an additional \$1,000 per day for consulting services provided to the Company for executive services provided to the Company. The monthly days are capped at 20 days per month.
Dr David DeTata	Non-Executive Director	\$42,400 per annum plus statutory superannuation entitlements. Dr DeTata also provides additional consulting services for the Company at a rate of \$750 per day (inclusive of statutory superannuation entitlements).
Mr Anthony McIntosh	Non-Executive Director	\$42,400 (plus statutory superannuation entitlements)
Mr Harvey Kaplan	Former Non-Executive Director	Prior to his resignation, a total of \$42,400 per annum (plus statutory superannuation entitlements)

The above does not include the proposed Options.

The Company has prepared an assessment of the indicative fair value of the Options as summarised below. The value is indicative only, based on assumptions relevant at the date of the calculation, being 6 October 2020. Different assumptions may be relevant at grant date which may alter the value of the Options for financial reporting purposes. The indicative value is the spot price as at the time of the assessment of the value of Options being \$0.064 (6.4 cents). The total remuneration packages in the above table would be increased for each of the above Directors by the total per Director set out in the following table, based on the assumptions.

Assessment	
Indicative fair value per Option (round to three decimal points)	Resolutions 4-6 \$0.045 (4.5 cents) per option; and Resolution 7 \$0.025 (2.5 cents) per option
Number per Director & Former Director	Mr Stuart Rechner – 4,000,000 Options Dr David DeTata – 3,000,000 Options Mr Anthony McIntosh – 2,000,000 Options Mr Harvey Kaplan – 600,000 Options (former Director)
Total \$ per Director	Mr Stuart Rechner – \$178,134 Dr David DeTata – \$133,600 Mr Anthony McIntosh – \$89,067 Mr Harvey Kaplan (former Director) – \$14,780
Total Options	9,600,000
Total \$	\$415,581

The indicative fair value was calculated using the Black-Scholes valuation model.

The assumptions used in the valuation model were as follows:

Assumptions	For proposed Options to be issued to Mr Stuart Rechner, Dr David DeTata and Mr Anthony McIntosh	For proposed Options to be issued to Mr Harvey Kaplan
Valuation date	6 October 2020 [^]	6 October 2020 [^]
Spot price (6 October 2020)	\$0.064 (6.4 cents)	\$0.064 (6.4 cents)
Exercise price*	\$0.10 (10 cents)	\$0.10 (10 cents)
Vesting date	Immediate	Immediate
Expiry date	3 years from the date of grant	12 December 2022
Expected future volatility ⁺	134%	134%
Risk free rate	0.18%	0.17%
Dividend yield	N/A ^{**}	N/A ^{**}

* Based on Black Scholes valuation assessment as .

[^] Based on the issue date assumed as being the valuation date.

⁺ Based on assessment of estimated future volatility of the Company

^{**} The Company does not have a history of paying dividends and is not expected to pay any over the life of the options.

As at the date of this Notice, the Directors and former Directors who are proposed to receive the Options have the following direct and indirect interests in shares and/or options of the Company:

Recipient	Existing		Options
	Shares	%	
Mr Stuart Rechner	3,000,000	1.87%	3,250,000
Dr David DeTata	2,500,000	1.56%	2,800,000
Mr Anthony McIntosh	500,000	0.31%	-
Mr Harvey Kaplan	1,000,000	0.62%	2,200,000

Following the issue of the Options proposed in conjunction with those already held, if each respective Director or former Directors' options were to be exercised (assuming no other director exercised their options, and there were no other issues of shares, including those relating to proposed resolutions to be considered at this Meeting), the above percentages would increase as follows:

Recipient	Existing%	New %
Mr Stuart Rechner	1.87%	6.13%
Dr David DeTata	1.56%	5.01%
Mr Anthony McIntosh	0.31%	1.54%
Mr Harvey Kaplan	0.62%	2.33%

Corporations Act

The Board has formed the view that the issues of Options to the above Directors and former Director (or their respective nominee(s)) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A “financial benefit” is defined in section 229 of the Corporations Act and includes granting an option to a related party.

Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Options aligns the interests of each of the above Directors with the interests of Shareholders. The grant of Options to each of the above Directors is a cost-effective form of remuneration when compared to the payment of cash consideration.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, and in order to compensate the above Directors in line with current market practices, Options provide an appropriate and meaningful remuneration component to the above Directors that is aligned with Shareholder interests. In addition, the estimated values of the Options are not excessive when compared to the respective Directors' other remuneration from the Company. Dr DeTata, Mr Kaplan and Mr McIntosh's proposed Options reflect their contributions as non-executive directors, while Mr Rechner proposed Options reflect his contribution as Executive Director.

Each recipient of the proposed Options was not present during the decision-making process, including any decision to put to shareholders the proposed issue of their respective Options or otherwise regarding the proposed issues of their respective Options.

If Resolutions 4, 5, 6 and 7 are passed and the Options are issued, each of the Directors (and former Director) proposed to receive securities under Resolutions 4, 5, 6 and 7 (including direct and indirect interests) will have a relevant interest as set out in the table on page 9.

ASX Listing Rule 10.11

Listing Rule 10.11 provides that a listed company must not, without the approval of shareholders, issue or agree to issue equity securities to certain persons, including:

- 10.11.1: related party; or
- 10.11.4: an associate of a related party.

The proposed issue of the Options falls within Listing Rules 10.11.1 above, as the proposed recipients of the Options are directors (and former Director within six months of resignation as such is still relevant to the listing rule) of the Company and are therefore related parties of the Company. The proposed issue of the Options therefore requires the approval of the Company's shareholders under Listing Rule 10.11.

Resolutions 4, 5, 6 and 7 seek the required shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolutions 4, 5, 6 and 7 are passed, the Company will be able to proceed with the issue of the Options and the Directors (and former Director) (or their nominee(s)) will receive the numbers of Options set out in the tables above, with the increase in their remuneration and potentially increase in their shareholdings as described above.

If all or any of Resolutions 4, 5, 6 and 7 are not passed, the Company will not proceed with the issue of the Options to the applicable Director(s), and the applicable Director(s) (and former Director) (or their nominee(s)) will not receive the Options or potential shareholdings as described on pages above within the explanatory statement.

If approvals are given under ASX Listing Rule 10.11, approvals are not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 in respect of the proposed issues of Options to each Director (and former Director) under Resolutions 4, 5, 6 and 7 (respectively):

- (a) the proposed recipients are Mr Rechner, Dr DeTata and Mr McIntosh, each of whom is a Director of the Company, or their respective nominee(s) (each of which would be an associate of the respective Director) and Mr Kaplan a former Director of the Company having resigned on 7 October 2020 and therefore it is still relevant to seek shareholder approval under Listing Rule 10.11;

- (b) each of the proposed recipients are related parties of the Company as each of them is a director or former director of the Company as referred to under Listing Rule 10.11.1;
- (c) 9,600,000 Options are proposed to be issued as follows:
 - Mr Stuart Rechner 4,000,000 Options;
 - Dr David DeTata 3,000,000 Options;
 - Mr Anthony McIntosh 2,000,000 Options;
 - Mr Harvey Kaplan 600,000 Options;
- (d) a summary of the material terms of the Options is included in Annexure A;
- (e) the Options will be issued no later than one month after the date of the Meeting;
- (f) the Options will be issued for nil consideration;
- (g) the Options will be issued as remuneration. As such there is no issue price for, and the Company will not receive cash from, the issue of the Options. Funds raised upon exercise of the Options will be applied to the working capital requirements of the Company at the time of exercise; and
- (h) the current total remuneration packages of each of Mr Stuart Rechner, Dr David DeTata, Mr McIntosh and Mr Kaplan are set out in the table above.

Board Recommendation

The Board (with the respective directors abstaining in relation to the relevant Resolution regarding their own proposed Options) recommends that shareholders vote in favour of Resolutions 4, 5, 6 and 7.

Voting Exclusions

A voting exclusion statement is set out on Note 6 of this Notice.

SPECIAL BUSINESS

Resolution 8: Renewal of Proportional Takeover Provision

Background

Rule 7 of the Company's Constitution currently contains provisions dealing with proportional takeover bid for the Company's securities in accordance with the Corporations Act (**Proportional Takeover Provisions**).

A "proportional takeover bid" means an off-market bid for a specified proportion of the Company's securities in a class of securities for which a takeover bid has been made. It is not a bid for all securities held by all members of that class, only proportion of the securities each holds. Accordingly, if a Shareholder accepts the offer in full under a proportional takeover bid, the Shareholder will dispose of the specified portion of their Shares in the Company and retain the balance of their Shares.

The provisions in Rule 7 are designed to assist Shareholder to receive proper value for their shares if a proportional takeover bid is made for the Company.

Part 6.5 Subdivision 5C of the Corporations Act provides that these Proportional Takeover Provisions cease to apply at the end of 3 years from their adoption (or last renewal), but that they may be renewed by special resolution of the Company's shareholders. The Proportional Takeover Provisions were last renewed at the Company's Annual General Meeting of 27 November 2017. The Board believes it is appropriate that the Proportional Takeover Provisions of the Company's Constitution (Rule 7) be renewed, in accordance with the provisions of the Corporations Act, such that they will continue to be operative.

Section 648G of the Corporations Act states that a company may renew its proportional takeover approval provisions in the same manner in which the company could alter its constitution to insert such provisions. In order to alter its Constitution to include such provisions, the Company relies on section 136(2) of the Corporations which states that a company may modify, or repeal its constitution, or a provision of its constitution, by special resolution. Accordingly, this Resolution is proposed as a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at this Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

In seeking approval for the renewal of the Proportional Takeover Provisions, section 648G of the Corporations Act requires the Company to provide the below information to its Shareholders.

Effect of provisions proposed to be renewed

Rule 7 of the Constitution provides that the Company is prohibited from registering any transfer of securities giving effect to a contract of sale pursuant to a proportional takeover bid unless and until the procedure in Rule 7.3 of the Constitution has been followed, which states that:

- (a) a meeting of the persons entitled to vote on the prescribed resolution (**Approving Resolution**) must be convened, for the purposes of considering the Approving Resolution, and the Approving Resolution must be passed by those entitled to vote, before the day that is 14 days after the end of the period which the offers under the proportional takeover scheme remain open;
- (b) the person making the offer for the securities (**Offeror**) (and their associates) cannot vote on the Approving Resolution and the Approving Resolution requires the approval of more than 50% of Shareholders who are entitled to vote at that meeting.

In the event that an Approving Resolution has not been voted on in accordance with the provisions of Rule 7.3 of the Constitution, an Approving Resolution will have been deemed to be passed.

If an Approving Resolution is passed or deemed to have been passed, the transfer of securities resulting from acceptance of an offer under that proportional takeover bid will be permitted, and the transfers registered, subject to the Corporations Act and the Constitution.

Rule 7 does not apply to full takeover bids.

Reason for the resolution

Rule 7 of the Constitution is required to be renewed as nearly 3 years have passed since the last renewal of the Constitution. Section 648(G)(1) of the Corporations Act (along with rule 7.4 of the Constitution) provides that the Proportional Takeover Provisions such as provided in Rule 7 cease to apply at the end of 3 years from their adoption (or their last renewal). Section 648(G)(4) enables the Company's shareholders to approve a renewal of Proportional Bid Provisions.

The Directors believe that Shareholders should continue to have the opportunity to vote on a proposed proportional takeover bid and the choice of considering whether to accept a bid for what may become control of the Company without Shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). To preserve this choice, Rule 7 of the Constitution needs to be renewed. If Rule 7 is renewed and any proportional takeover bid is subsequently approved by Shareholders, each Shareholder will still have the right to make a separate decision about whether they wish to accept the bid for their securities.

Awareness of current acquisition proposals

As at the date of this Explanatory Statement, none of the Directors are aware of any proposal for any person to acquire (or increase the extent of) a substantial interest in the Company.

Advantages and disadvantages of the Proportional Takeover Provisions since last renewed

As there have been no takeover bids made for any of the securities in the Company since the last renewal of the Proportional Takeover Provisions, there has been no application of Rule 7 in the last 3 years and as such it is difficult to assess the advantages and disadvantages of the Proportional Takeover Provisions on the Company's Directors and Shareholders.

However, it may be argued that the potential advantages and disadvantages of the Proportional Takeover Provisions described below have also applied for the period since the last renewal of the Proportional Takeover Provisions.

Potential advantages and disadvantages of the proposed Resolution for both Directors and Shareholders

An advantage to the Directors of renewing the Proportional Bid Provisions is that the Board will be able to assess the Shareholders' acceptance or otherwise of a proportional takeover bid should one be made.

As stated above, renewing Rule 7 of the Constitution provides Shareholders with the choice of considering and voting on whether to accept a bid for what may become control of the Company without Shareholders having the opportunity to dispose of all of their securities (rather than just some of their securities, as would be the case under a proportional takeover bid). If Rule 7 is not renewed, Shareholders will not have this opportunity.

Conversely, the renewal of the Proportional Takeover Provisions may make proportional takeover bids more difficult to succeed and therefore effectively discourage proportional takeover bids for the Company's securities from being made and reduce the freedom and/or opportunities for Shareholders to sell some of their securities.

Board Recommendation

Balancing the above advantages and disadvantages, the Board is of the view that the advantages of renewing the Proportional Takeover Provisions outweigh any disadvantages and unanimously recommend the renewal. Accordingly, Shareholder approval is sought pursuant to this Resolution. The Chair of the meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Note 6 for voting exclusions.

Resolution 9: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as described below) without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this resolution, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

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 further shareholder approval.

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

If Shareholders do not approve Resolution 4, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for 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.

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

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, quoted Fully Paid Ordinary Shares and Unquoted Options.

(c) *Formula for calculating 10% Placement Facility*

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

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

- A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12 month period immediately preceding the date of the issue or agreement):
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
 - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
 - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4.;
 - (E) plus the number of partly paid shares that became fully paid in the relevant period;
 - (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

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

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

(e) *Nature of consideration for issue and Minimum Issue Price*

The Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained;
- (ii) the time and date of the Company's next annual general meeting;
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

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

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences on the date of the Annual General Meeting at which the approval is obtained, being 18 November 2020, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 18 November 2021;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised (cash consideration only) by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
 - (i) advancements of the Company's current and future exploration tenements; and
 - (ii) general working capital.
- (d) If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 8 October 2020 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.0335 50% decrease in Current Share Price	\$0.067 Current Share Price	\$0.134 100% increase in Current Share Price
Current Variable A 160,000,206 Shares	10% Voting Dilution	16,000,021 Shares		
	Funds raised	\$536,001	\$1,072,001	\$2,144,003
50% increase in current Variable A 240,000,309 Shares	10% Voting Dilution	24,000,031 Shares		
	Funds raised	\$804,001	\$1,608,002	\$3,216,004
100% increase in current Variable A 320,000,412 Shares	10% Voting Dilution	32,000,041 Shares		
	Funds raised	\$1,072,001	\$2,144,003	\$4,288,006

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - 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%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - The Current Share Price is **\$0.067** (6.7 cents), being the closing price of the Shares on ASX on **8 October 2020**.
- (e) The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including, but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- (i) has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
 - (ii) had not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Board Recommendation

The Board believes that Resolution 9 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Voting Exclusions

Refer to Note 6 for voting exclusions.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**10% Placement Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**10% Placement Period Facility**” has the meaning as defined in the Explanatory Statement for Resolution 9;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 30 June 2020;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**AEDT**” means Australian Eastern Daylight Time.

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chair**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Strategic Energy Resources Limited ACN 051 212 429;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Equity Security**” has the same meaning as in the Listing Rules;

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel**” means 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;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Strategic Energy Resources Limited for the financial year ended 30 June 2020 and which is set out in the 2020 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

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

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

“**VWAP**” means volume weighted average price.

ANNEXURE A

(RESOLUTION 4, 5, 6 AND 7)

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the options to be granted pursuant to Resolutions 4, 5, 6 and 7 are as follows:

Terms of Options

(a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

(b) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The Options expire as below :

Resolution	Party	Expiry
Resolutions 4, 5 and 6	Mr Stuart Rechner, Dr David DeTata and Mr Anthony McIntosh	3 years from the date of grant
Resolution 7	Mr Harvey Kaplan	12 December 2022

- (iii) The exercise price per option is \$0.10 (10 cents).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.
- (vi) Remittances must be made payable to 'Strategic Energy Resources Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
 - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
 - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(c) Quotation

- (i) Subject to meeting the requirements of ASX and the Corporations Act, the Company may apply to the ASX for Official Quotation of the Options but makes no guarantee that it will make any such application, or that if an application for Official Quotation is made that it will be successful.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(d) Participation in Securities Issues

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(e) Participation in a Reorganisation of Capital

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
- (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(f) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = \frac{O - E[P - (S + D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) Pro-Rata Bonus Issues


If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Strategic Energy Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (AEDT) on Monday, 16 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in 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 A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Strategic Energy Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) on Wednesday, 18 November 2020 virtually via a webinar conferencing facility (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Dr David De Tata as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Election of Mr Anthony McIntosh as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval to Grant Options to Mr Stuart Rechner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval to Grant Options to Dr David DeTata	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval to Grant Options to Mr Anthony McIntosh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval to Grant Options to Mr Harvey Kaplan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Renewal of Proportional Takeover Provision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

STEP 3

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

SER PRX2002D

