

# Notice of Annual General Meeting and Explanatory Memorandum

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Pyx Resources Limited ACN 073 099 171

Date of Meeting: Tuesday, 18 May 2021

Time of Meeting: 4:00pm (AEST)

Place of Meeting: To be held at Level 5, 56 Pitt Street Sydney NSW 2000 and virtually via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting)

# Notice of Annual General Meeting

## IMPORTANT INFORMATION

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### Time and place of Meeting

Notice is given that the Annual General Meeting of Shareholders (**AGM**) of Pyx Resources Limited ACN 073 099 171 (**Company**) will be held at Level 5, 56 Pitt Street, NSW 2000 and virtually on Tuesday, 18 May 2021 at 4.00pm (AEST).

Access to the meeting is by attendance at Level 5, 56 Pitt Street NSW 2000 or via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) using the Meeting ID and Shareholder ID on the proxy form to log in to the website.

Terms used in this Notice of Meeting are defined in section 5 (Glossary) of the accompanying Explanatory Memorandum.

### Your vote is important

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

### Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (AEST) on Sunday, 16 May 2021.

### Participating in the AGM online

Voting can occur during the meeting via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) using the Meeting ID and Shareholder ID on the proxy form to login to the website.

Attending the AGM online enables Shareholders to listen to the AGM live and to view presentation slides and proxy results whilst the AGM is in progress. All shareholders will have a reasonable opportunity to ask questions during the AGM via the online platform.

All resolutions at the AGM will be decided on a poll. Shareholders are therefore strongly encouraged to lodge directed proxies in advance of the AGM.

# Notice of Annual General Meeting

## AGENDA

### 1. FINANCIAL STATEMENTS AND REPORTS

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

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on its website ([www.pyxresources.com](http://www.pyxresources.com)).

### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

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

<p><b>Voting Prohibition Statement</b></p> <p>The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of:</p> <ul style="list-style-type: none"><li>a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>b) a Closely Related Party of such a member.</li></ul> <p>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:</p> <ul style="list-style-type: none"><li>a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none"><li>- does not specify the way the proxy is to vote on this Resolution; and</li><li>- 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.</li></ul></li></ul> <p><b>Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.</b></p> <p>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.</p> <p>If 25% 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 (“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. For further information, please refer to the Explanatory Statement.</p>
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The Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an NSX announcement will be made.

## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GARY J ARTMONT

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

*“That, for the purpose of clauses 39.1 of the Constitution, and for all other purposes, Mr. Gary J Artmont, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

## 4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS AND SHARES TO MR. OLIVER HASLER

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

*“That, for the purpose of NSX Listing Rules 6.25 and 6.44, and for all other purposes, approval is given for the issue of 6,400,000 Performance Rights and the issue of up to a maximum of 9,600,000 Shares that may result from the exercise of those Performance Rights upon satisfaction of the relevant performance conditions in respect of these Performance Rights to Oliver Hasler or his nominee(s) pursuant to the Company’s Stock Incentive Plan as described in the Explanatory Memorandum.”*

### Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

- a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b) an associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

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

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## **Voting Prohibition statement**

The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of:

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

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

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair and the appointment of the Chair as proxy:

## **GENERAL BUSINESS**

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To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

### **By order of the Board**

Louisa Martino

Company Secretary  
Dated: 16 April 2021

## **Proxy Appointment and Voting Instructions**

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### **Proxy Form**

Shareholders are strongly encouraged to vote by proxy. To vote by proxy, please complete and sign the relevant enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

If you wish to appoint the Chair as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chair, please write the full name of that person on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chair will be your proxy. A proxy need not be a Shareholder of the Company.

All resolutions at the AGM will be decided on a poll. Shareholders are therefore strongly encouraged to lodge directed proxies in advance of the AGM.

### **Corporate Shareholders**

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the Company;
- a director and a company secretary of the Company; or
- for a proprietary company that has a sole director who is also the sole company secretary, that director.

### **Corporate Representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

### **Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions 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 Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

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As proxies will not be able to physically attend the AGM, Shareholders are encouraged to consider appointing the Chair as their directed proxy for this AGM, or otherwise complete the directions for each resolution on the Proxy Form. You can direct your proxy to vote “For”, “Against” or “Abstain” from voting on, a resolution by marking the appropriate box in the enclosed Proxy Form

## **Voting Restrictions that May Affect Your Proxy Appointment**

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolution 1 (Adoption of the Remuneration Report) unless you have directed them how to vote or, in the case of the Chair, if you expressly authorise him or her.

## **Chair Voting Undirected Proxies**

If the Chair is your proxy, the Chair will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chair to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chair intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chair's intentions may subsequently change and in this event, the Company will make an announcement to the market.

## **Voting Eligibility – Snapshot Date**

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined that all Shares of the Company that are quoted on NSX at 4.00pm AEST on Sunday, 16 May 2021 shall, for the purpose of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## **Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

## **Questions from Shareholders**

Shareholders may submit questions that relate to the formal items of business in the Notice in advance of the Meeting to the Company. Should you have any questions, these can be submitted in advance of the Meeting via the portal ([www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting)) from 16 April 2021.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the year ended 31 December 2020. The Chair will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

## **Questions Regarding the Notice of Meeting**

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8823 3179.

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

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## 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and section 317 of the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2020 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Reports.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website ([www.pyxresources.com](http://www.pyxresources.com)).

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## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 2.1 General

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

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

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

### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

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

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

### 2.3 Previous voting results

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



## 2.4 Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No direction given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

### Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/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).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

## 2.5 Directors' recommendations

The Board declines to make a recommends on Resolution 1 as each Director has a material personal interest in the outcome of the Resolution.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR GARY J ARTMONT

### 3.1 General

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

Mr Gary J Artmont, who has served as a director since 31 January 2020 retires by rotation pursuant to article 39.1(c) of the Constitution and seeks re-election.

### 3.2 Qualifications and other material directorships

Gary has forty-six years of experience in the mining business operating in 21 countries and is familiar with all aspects of mineral exploration from grassroots to project pre-feasibility studies through to mining operations.

Gary is a fellow of AusIMM #312718 qualified to write Ni 43-101 or JORC Competent Person reports. He is experienced in the management of large multifaceted regional and detailed exploration programs in overseas locations with 14 years working in tropical environments.

Gary has worked as a geologist and project manager for multiple organizations over the past four decades, including Geostar Consulting, Rio Tinto, PT Pelsart Indonesia, PT Freeport Indonesia and Ivanhoe Mining China.

Gary received a Bachelor of Earth Science Honours from Waterloo University, Ontario

If re-elected, the Board considers that Mr Artmont will be an independent Director.

### 3.3 Director's Recommendation

The Board of Directors (other than Mr Artmont) supports the re-election of Mr Artmont and recommends that Shareholders vote in favour of Resolution 2. The Chair intends to exercise all available proxies in favour of Resolution 2.

## 4. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS AND SHARES TO MR. OLIVER HASLER

### 4.1 General

Shareholder approval is being sought in Resolution 3 to grant a total of 6,400,000 Performance Rights enabling potentially a maximum of 9,600,000 Shares to be issued to Mr. Oliver Hasler under the Company's Stock Incentive Plan.

The terms of the Performance Rights are set out below:

Tranche	No. of Performance Rights	Potential No. Of shares	Expiry Date	Performance Condition
1	1,600,000	320,000	30/06/2023	Up to 20% of 2022 Target Sales Volume and continuous employment to 31 Dec 2022
		480,000		Continuous employment to 31 Dec 2022 and more than 20% - 30% of 2022 Target Sales Volume
		640,000		Continuous employment to 31 Dec 2022 and more than 30% - 40% of 2022 Target Sales Volume
		800,000		Continuous employment to 31 Dec 2022 and more than 40% - 75% of 2022 Target Sales Volume
		800,000-2,400,000		Continuous employment to 31 Dec 2022 and more than 75% - 125% of 2022 Target Sales Volume (pro-rate)
2,400,000	Continuous employment to 31 Dec 2022 and more than 125% of 2022 Target Sales Volume			
2	1,600,000	320,000	30/06/2023	Up to 20% of 2022 Target EBITDA and continuous employment to 31 Dec 2022
		480,000		Continuous employment to 31 Dec 2022 and more than 20% - 30% of 2022 Target EBITDA
		640,000		Continuous employment to 31 Dec 2022 and more than 30% - 40% of 2022 Target EBITDA
		800,000		Continuous employment to 31 Dec 2022 and more than 40% - 75% of 2022 Target EBITDA
		800,000-2,400,000		Continuous employment to 31 Dec 2022 and more than 75% - 125% of 2022 Target EBITDA (pro-rata)
2,400,000	Continuous employment to 31 Dec 2022 and more than 125% of 2022 Target EBITDA			
3	1,600,000	320,000	30/06/2024	Up to 20% of 2023 Target Sales Volume and continuous employment to 31 Dec 2023
		480,000		Continuous employment to 31 Dec 2023 and more than 20% - 30% of 2023 Target Sales Volume
		640,000		Continuous employment to 31 Dec 2023 and more than 30% - 40% of 2023 Target Sales Volume
		800,000		Continuous employment to 31 Dec 2023 and more than 40% - 75% of 2023 Target Sales Volume
		800,000-2,400,000		Continuous employment to 31 Dec 2023 and more than 75% - 125% of 2023 Target Sales Volume (pro-rata)
2,400,000	Continuous employment to 31 Dec 2023 and more than 125% of 2023 Target Sales Volume			
4	1,600,000	320,000	30/06/2024	Up to 20% of 2023 Target EBITDA and continuous employment to 31 Dec 2023
		480,000		Continuous employment to 31 Dec 2023 and more than 20% - 30% of 2023 Target EBITDA
		640,000		Continuous employment to 31 Dec 2023 and more than 30% - 40% of 2023 Target EBITDA
		800,000		Continuous employment to 31 Dec 2023 and more than 40% - 75% of 2023 Target EBITDA
		800,000-2,400,000		Continuous employment to 31 Dec 2023 and more than 75% - 125% of 2023 Target EBITDA (pro-rata)
2,400,000	Continuous employment to 31 Dec 2023 and more than 125% of 2023 Target EBITDA			
	<b>6,400,000</b>	<b>9,600,000 (maximum)</b>		

In the event of the Company changing control, 150% of the Target Award (i.e. the maximum number of shares) will vest immediately on the effective date of the Company's change of control, subject always to such vesting on change of control shall only be permitted where the total ordinary shares issued does not exceed 10% of the then issued capital of the Company.

Industry trends are providing equity incentives to directors as a means of preserving cash and giving directors a performance related incentive. The Board considers that to incentivise the achievement of the Company's goals the issue of Performance Rights to Mr Hasler under the Stock Incentive Plan is warranted.

#### **4.2 NSX Listing Rule 6.25**

NSX Listing Rule 6.25 allows an entity to issue (or agree to issue) equity securities up to 15% of the Company's ordinary securities on issue in any 12-month period without the approval of the Shareholders of the Company. If the Company wishes to issue equity securities above its 15% capacity, the Company must obtain shareholder approval at a general meeting prior to the issue, unless an exception applies. Therefore, the effect of this Resolution is to obtain shareholder approval for the issue of these Performance Rights, which will allow the Company to issue the Performance Rights and the resulting Shares, without using the Company's 15% capacity under Listing Rule 6.25.

#### **4.3 Related Party Approvals**

NSX Listing Rule 6.44 provides that a Company shall obtain shareholder approval for any issue of equity securities to a related party unless an exception applies.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the exceptions to the provisions;  
or
- b) Shareholder approval is obtained prior to the giving of the financial benefit.

The issue of the Performance Rights to Mr Hasler (or his nominee) constitutes giving a financial benefit and Mr Hasler is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Hasler) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to Mr Hasler and fall into the "reasonable remuneration" exception in section 211 of the Corporations Act.

The Board has considered the circumstances of the Company including its nature and scale (market capitalization, total assets and profitability), the industry and market it operates in, where it operates, its future prospects and the risks and challenges it faces. Comparative data has been reviewed along with the skills, experience and qualifications of the CEO and Chairman (Mr Oliver Hasler) to determine the reasonableness of the remuneration.

Accordingly, the directors (other than Mr Hasler) have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the issue of Performance Rights under resolution 3.

#### **4.4 Information Requirements**

The following information in relation to the issue of Performance Rights to Mr Hasler is provided to Shareholders:

- a) the related party is Mr Oliver Hasler, a Director of the Company
- b) the Performance Rights will be issued to Mr Hasler, a Director of the Company, or his nominee;
- c) the maximum number of Performance Rights to be issued to Mr Hasler (or his nominee) is 6,400,000 with a maximum of 9,600,000 Shares to be issued upon achievement of the relevant Performance Rights performance conditions;

- d) Shares allocated on the achievement of the performance conditions will rank equally with shares in the same class listed on the NSX;
- e) the issue price of the securities is nil, forming a part of the remuneration of Mr Hasler;
- f) the total remuneration package for the 2020 December financial year for Mr. Hasler consisted of a salary of US\$550,000 and US\$3,938,575 in share based payments attributable to Performance Rights previously issued under the Company's Stock Incentive Plan (full details are set out on pages 52 to 58 of the Company's December 2020 Annual Report);
- g) Under the Company's Stock Incentive Plan, Mr Hasler has previously been issued 17,675,376 Performance Rights at a \$nil acquisition price, convertible into a maximum of 21,220,196 Shares (as approved by shareholders on 13 December 2019). 9,384,045 of these Performance Rights have since converted into 7,786,111 Shares upon achievement of performance conditions. 8,291,331 Performance Rights remain which are able to be converted into a maximum of 9,629,303 Shares (depending upon achievement of performance conditions);
- h) the Performance Rights are unquoted performance rights. The Company has chosen to grant the Performance Rights to Mr Hasler for the following reasons:
  - (i) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Performance Rights to Mr Hasler will align the interests of Mr Hasler with those of Shareholders;
  - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Hasler; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- i) The Company ascribes a value of AU\$0.98 per Performance Right, being the Company's Share price as reported on NSX on the grant date of the Performance Rights (15 March 2021). This assumes that the performance conditions are 100% met and therefore each Performance Right converts into a Share on a 1:1 basis. Should the performance condition be exceeded, a greater number of Shares are issued per Performance Right resulting in the value of each Performance Right being greater, up to a maximum of AU\$1.47 per Performance Right. Should less than 100% of the performance conditions be met, a lesser number of Shares are issued per Performance Right resulting in the value of each Performance Right being less, down to a minimum value of AU\$0.20 per Performance Right.
- j) if Shareholders approve this resolution, the Performance Rights will be issued to Mr Hasler (or his nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any NSX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- k) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- l) a summary of the material terms of the Stock Incentive Plan are set out in Schedule 1;
- m) In addition to the terms of the Stock Incentive Plan, the material terms of the Performance Rights are set out in Section 4.1 above;
- n) no loan is being made to Mr Hasler in connection with the acquisition of the Performance Rights;

- o) details of any securities issued under the Stock Incentive Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of the securities was obtained under NSX Listing Rule 6.44. Any additional persons (being related parties of the Company or persons referred to in Listing Rule 6.44) who become entitled to participate in the Stock Incentive Plan after this Resolution was approved and who are not named in this notice of meeting will not participate until approval is obtained under Listing Rule 6.44; and
- p) a voting exclusion statement is included in the Notice of Meeting.

Resolution 3 seeks shareholder approval to the proposed issue of 6,400,000 Performance Rights to Mr Oliver Hasler under the Stock Incentive Plan. If Resolution 3 is passed, the Company will be able to proceed with the issue. If Resolution 3 is not passed, the Company will not be able to proceed with the proposed issue and a new proposal will be put to shareholders

#### 4.5 Proxy restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No direction given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

**Notes:**

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/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).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### 4.6 Directors' recommendations

The Chairman intends to vote undirected proxies in favour of this Resolution. The Directors (other than Mr Hasler) having no personal interest in Resolution 3, recommend Shareholders vote in favour of Resolution 3.

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## 5. GLOSSARY

**AEST** means Australian Eastern Standard Time

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

**Annual Report** means the annual report of the Company for the 2020 financial year, including the annual financial report, the Directors' report and the Auditor's report for the financial year ended 31 December 2020.

**ASIC** means Australian Securities and Investment Commission.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that NSX declares is not a business day.

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

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

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

**Company** means Pyx Resources Limited (ACN 073 099 171).

**Constitution** means the Company's constitution.

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

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

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

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, director or indirectly, including any Director (whether executive or otherwise).

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

**NSX** means the National Stock Exchange of Australia ABN 11 000 902 063.

**NSX Listing Rules or Listing Rules** means the official NSX Listing Rules of the NSX and any other rules of the NSX which are applicable while the Company is admitted to the official list of the NSX, as amended or replaced from time to time, except to the extent of any express written waiver by the NSX.

**Performance Right** means a performance right which, subject to its terms, could convert to a Share.

**Proxy Form** means the proxy form accompanying this Notice.

**Remuneration Report** means the remuneration report appearing in the Annual Report.

**Resolutions** means the resolutions set out in the Notice, 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 registered holder of a Share.

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## Schedule 1 Summary of Stock Incentive Plan

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The key terms of the Stock Incentive Plan (**Plan**) are as follows:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1001 as amended or replaced (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Awards under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Awards are quoted on the NSX, Awards issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
    - (A) a Relevant Person ceasing to be an Eligible Participant due to:
      - (I) death or total or permanent disability of a Relevant Person; or
      - (II) retirement or redundancy of a Relevant Person;
    - (B) a Relevant Person suffering severe financial hardship;
    - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or

- (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
  - (ii) a change of control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Cashless Exercise Facility:** In lieu of paying the aggregate Exercise Price to purchase Shares, a Participant may elect to set-off the Option Exercise Price against the number of Shares which the Participant is entitled to receive upon exercise of the Participant's Options. By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the Option Exercise Price has been set-off.
- (h) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:
  - (i) an unauthorised dealing, or hedging of, the Award occurring;
  - (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Award;
  - (iii) in respect of unvested Awards only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Awards only, a relevant person ceases to be an Eligible Participant and the Award granted in respect of that person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award;
  - (vii) the expiry date of the Award.
- (i) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (j)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (k) **No Participation Rights:** There are no participating rights or entitlements inherent in the Awards and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards.
- (l) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Awards and subject to compliance with the NSX Listing Rules, an Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.



- (m) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the NSX Listing Rules at the time of the reorganisation.
  
- (n) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

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

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

Sub-Register	
HIN / SRN	
Meeting ID	
Shareholder ID	

## 2021 ANNUAL GENERAL MEETING PROXY FORM

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

### APPOINT A PROXY

The Chair of the meeting **OR**



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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at Level 5, 56 Pitt Street Sydney NSW 2000 and virtually via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) on 18 May 2021 at 4.00pm (AEST)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 3 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

### VOTING DIRECTIONS

#### Resolutions

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mr Gary J Artmont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Performance Rights and Shares to Mr Oliver Hasler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

Email Address

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

## PYX RESOURCES LIMITED ANNUAL GENERAL MEETING

A live webcast and electronic voting via [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) will be offered to allow Shareholders to listen to the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on your personalised proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### CHANGE OF ADDRESS

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

### APPOINTMENT OF A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### VOTING DIRECTIONS – PROXY APPOINTMENT

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

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 & 3, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 & 3.

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### COMPLIANCE

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

By lodging your proxy votes, you confirm to the company that you are in compliance with these requirements.

### CORPORATE REPRESENTATIVES

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

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

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

#### Joint Holding:

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

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

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

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 4.00pm (AEST) on 16 May 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

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



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033