



**Dynamic Drill and Blast Holdings Limited
ACN 640 888 213**

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at
Suite 1, 295 Rokeby Road, Subiaco, Western Australia on Wednesday, 9
December 2020 at 11.00am (WST).**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6555 2950.**

Due to the ongoing COVID-19 pandemic, the Company is taking precautions to facilitate an in-person Meeting in accordance with COVID-19 restrictions. If the situation in relation to COVID-19 changes in a way affecting the ability to facilitate an in-person Meeting as currently proposed, the Company will provide a further update ahead of the Meeting by way of an announcement on the ASX market announcements platform.

Shareholders are encouraged to vote by lodging the proxy form attached to the Notice

Dynamic Drill and Blast Holdings Limited
ACN 640 888 213
(Company)

Notice of Annual General Meeting

Notice is given that the annual general meeting of Dynamic Drill and Blast Holdings Limited will be held at Suite 1, 295 Rokeby Road, Subiaco Western Australia on Wednesday, 9 December 2020 at 11.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those persons who are registered Shareholders at 5.00 pm (WST) on Monday, 7 December 2020.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum.'

Resolution 2 – Re-election of Director – Mr George Garnett

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

'That in accordance with Article 7.6(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr George Garnett, a Director who was appointed on 13 May 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Re-election of Director – Mr Matthew Freedman

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

'That in accordance with Article 7.6(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Matthew Freedman, a Director who was appointed on 13 May 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Re-election of Director – Mr Garret Dixon

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

'That in accordance with Article 7.6(c) of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Garret Dixon, a Director who was appointed on 13 May 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of 10% Placement Facility

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

'That the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A and on the terms and conditions in the Explanatory Memorandum.'

Resolution 6 - Approval to issue Options to Directors

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

'That, the issue of:

- (a) *up to 800,000 Options to Mr Mark Davis (or his nominee/s); and*
- (b) *up to 700,000 Options to Mr Matthew Freedman (or his nominee/s),*

under the Plan is approved under and for the purposes of Listing Rule 10.14 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 5, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1.A.2, by or on behalf of any persons 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 Shareholder), or any associate of those persons;

- (b) Resolution 6(a) and (b) by or on behalf of a Mark Davis and Matthew Freedman (or their nominee/s), a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Voting prohibitions

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) 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.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person 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 does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 6(a) and (b): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Garret Dixon
Non-Executive Chairman
Dynamic Drill and Blast Holdings Limited
Dated: 10 November 2020

Dynamic Drill and Blast Holdings Limited
ACN 640 888 213
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 1, 295 Rokeby Road, Subiaco, Western Australia on Wednesday, 9 December 2020 at 11.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolutions 2, 3 and 4 - Re-election of Mr George Garnett, Mr Matthew Freedman and Mr Garret Dixon
Section 6	Resolution 5 – Approval of 10% Placement Facility
Section 7	Resolution 6(a) and (b) - Approval to issue Options to Directors
Schedule 1	Definitions

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the 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 resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the

COVID-19 restrictions regarding gatherings. **The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.**

If the situation in relation to COVID-19 were to change in a way that affects the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement on the ASX market announcements platform.

2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

2.3 Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online:	https://investor.automic.com.au/#/loginsah
By mail:	Automic Pty Ltd GPO Box 5193 Sydney NSW 2001
By fax:	+61 2 8583 3040
By email:	meetings@automicgroup.com.au
By mobile:	Scan the QR Code on your Proxy Form and follow the prompts

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <https://dynamicdrillandblast.com.au/#> or on the ASX platform for "DDB" at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

The Company will not provide a hard copy of the Company's Financial Report to Shareholders unless specifically requested to do so.

4. Resolution 1 – Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

This is the Company's first annual general meeting since been admitted to the official list of the ASX on Tuesday, 4 August 2020. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

Given the material personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolutions 2, 3 and 4 - Re-election of Mr George Garnett, Mr Matthew Freedman and Mr Garret Dixon

5.1 General

Article 7.6(a) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 7.6(c) of the Constitution, any Director so appointed holds office until the conclusion of the next annual general meeting of the Company but is eligible for election by Shareholders at that meeting.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 13 May 2020:

- (a) Mr George Garnett was appointed as a Non-Executive Director of the Company;
- (b) Mr Matthew Freedman was appointed as an Executive Director of the Company;
- (c) Mr Garret Dixon was appointed as Non-Executive Chair; and
- (d) Mr Mark Davis was appointed as Managing Director.

Under article 7.6(d) of the Constitution, a Managing Director nominated by the Directors under article 9.1(d) is not required to stand for re-election under article 7.6(c). Mr Davis has been nominated by the Directors as Managing Director and is therefore not required to stand for re-election.

Accordingly:

- (a) pursuant to Resolution 2, Mr George Garnett;

(b) pursuant to Resolution 3, Mr Matthew Freedman; and

(c) pursuant to Resolution 4, Mr Garret Dixon,

resign as Directors at the Meeting and, being eligible, seek approval to be elected as a Director.

5.2 **Mr George Garnett**

Mr Garnett is an experienced equity capital markets executive having advised on the formation and execution of numerous transactions in emerging companies. He is currently a Director of Corporate Finance at Canaccord Genuity Australia and holds a Bachelor of Commerce from Curtin University. Mr Garnett was previously a Non-Executive Director of Gunsynd PLC (GUN.LSE).

Mr Garnett has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as a Non-Executive Director.

5.3 **Mr Matthew Freedman**

Mr Freedman has been involved with Dynamic Drill & Blast Pty Ltd (**DDB**) (the predecessor to the Company) since 2017, joined as General Manager in 2018 and was appointed as a director of DDB in 2019. He has 13 years of experience in the mining and mining services sector. He has spent time working for Rio Tinto Procurement, WorleyParsons and conducting business development for Emeco. Mr Freedman holds a Bachelor of Business Administration.

Mr Freedman has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as an Executive Director.

5.4 **Mr Garret Dixon**

Mr Dixon is an experienced and accomplished senior executive with extensive experience in the resources, transport and contracting sectors in Australia and overseas. His work in both private and ASX listed companies spans more than three decades. Mr Dixon's career since graduation in 1981 includes time with a Federal Government construction department, Executive General Manager for civil construction and contract mining group Henry Walker Eltin Ltd, Managing Director of logistics company Mitchell Corporation, Managing Director & CEO of ASX listed Gindalbie Metals Ltd and Vice President of Iron Ore Business Development for rail freight operator Aurizon. Mr Dixon held the position of Executive Vice President Alcoa & President Bauxite where he was responsible for the global bauxite mining business for the NYSE listed Alcoa Corporation.

Mr Dixon currently holds the position of Non-Executive Chairman of ASX listed Fenix Resources Ltd, Non-Executive Director of ASX listed BCI Minerals Ltd and is also a proposed non-executive director of MLG (Oz) Ltd (subject to the finalisation of MLG (Oz) Ltd's initial public offer).

Mr Dixon has a Bachelor of Engineering (Hons) and a Master of Business Administration and is a member of the Australian Institute of Company Directors.

Mr Dixon has acknowledged to the Company he will have sufficient time to fulfil his responsibilities as a Non-Executive Director.

5.5 Board recommendation

Resolution 2, Resolution 3 and Resolution 4 are ordinary Resolutions.

The Board (other than Mr Garnett) recommends that Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Mr Garnett has the necessary level of experience; and
- (b) Mr Garnett has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.

The Board (other than Mr Freedman) recommends that Shareholders vote in favour of Resolution 3 for the following reasons:

- (c) Mr Freedman has the necessary level of experience; and
- (d) Mr Freedman has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.

The Board (other than Mr Dixon) recommends that Shareholders vote in favour of Resolution 4 for the following reasons:

- (e) Mr Dixon has the necessary level of experience; and
- (f) Mr Dixon has an in-depth knowledge and understanding of the Company and its business, and his continuing role as a member of the Board will benefit the Company.

6. Resolution 5 – Approval of 10% Placement Facility

6.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

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

Resolution 5 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 5 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.

The number of Equity Securities that could be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

6.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less.

The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$20.41 million, based on the closing price of Shares \$0.370 on 30 September 2020.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 5 will no longer be effective and will be withdrawn.

(b) What Equity Securities can be issued?

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 eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

(1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);

(2) on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the 12 month period; or

- the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:
- the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
- (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;
- (B) plus the number of partly paid shares that became fully paid in the 12 months; and
- (C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual 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 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is 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 Equity 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,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the date of Shareholder approval 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).

(g) **What is the effect of Resolution 5?**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

6.3 **Specific information required by Listing Rule 7.3A**

Under and for the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 6.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 6.2(d) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for the purposes of raising funds for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), raising funds for future potential acquisitions of complementary businesses, and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the 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.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 6.2(c)) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.185 50% decrease in Current Market Price	\$0.37 Current Market Price	\$0.74 100% increase in Current Market Price
55,151,622 Shares Variable A	10% Voting Dilution	5,515,162 Shares	5,515,162 Shares	5,515,162 Shares
	Funds raised	\$1,020,305	\$2,040,610	\$4,081,220
82,727,433 Shares 50% increase in Variable A	10% Voting Dilution	8,272,743 Shares	8,272,743 Shares	8,272,743 Shares
	Funds raised	\$1,530,457	\$3,060,915	\$6,121,830
110,303,244 Shares 100% increase in Variable A	10% Voting Dilution	11,030,324 Shares	11,030,324 Shares	11,030,324 Shares
	Funds raised	\$2,040,610	\$4,081,220	\$8,162,440

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is the current market price \$0.37, being the closing price of the Shares on ASX on 30 September 2020, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
 - (b) Variable A is 55,151,622, comprising the existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4.
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
3. 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%.
4. 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 Meeting.
5. 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.

(e) **Allocation policy**

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 the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) 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 the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(f) **Issues in the past 12 months**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A. and has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A in the 12 month period preceding the date of the Meeting.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

6.4 **Board recommendation**

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 5.

7. **Resolution 6(a) and (b) - Approval to issue Options to Directors**

7.1 **General**

The Company is proposing, subject to obtaining Shareholder approval to issue up to a total of 1,500,000 unquoted options (**Incentive Options**) to Mr Mark Davis and Mr Matthew Freedman (together, **Executive Directors**), or their respective nominees, as follows:

Directors	Incentive Options
Mark Davis	800,000
Matthew Freedman	700,000
TOTAL	1,500,000

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of

the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Incentive Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Incentive Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Incentive Options are to be issued under the Company's Employee Securities Incentive Plan (**Plan**) the terms of which are summarised in the Company's prospectus, announced on ASX on 5 August 2020.

Subject to the terms and conditions in Schedule 2, the Incentive Options will vest as follows:

Directors	Tranche	Number of Options	Vesting Date
Mark Davis	Tranche 1	200,000	24 months from the date of grant
	Tranche 2	300,000	36 months from the date of grant
	Tranche 3	300,000	36 months from the date of grant
Matthew Freedman	Tranche 1	175,000	24 months from the date of grant
	Tranche 2	262,500	36 months from the date of grant
	Tranche 3	262,500	36 months from the date of grant

Resolutions 6(a) and (b) (inclusive) seek Shareholder approval for the issue of up to a total of 1,500,000 Incentive Options under the Plan to the Executive Directors, or their respective nominees, under and for the purposes of Listing Rule 10.14.

7.2 Listing rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company (Listing Rule 10.14.1);
- (b) an associate of a director the company (Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issue of the Incentive Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if an Executive Director elects for the Incentive Options to be granted to their nominee) and therefore requires the approval of Shareholders under Listing Rule 10.14.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

If Resolutions 6(a) and (b) (inclusive) are passed the Company will be able to proceed with the issue of the Incentive Options to the executive Directors and the Executive Directors will be remunerated accordingly based on the achievement of the Vesting Conditions set out above.

If Resolutions 6(a) and (b) (inclusive) are not passed, the Company will not be able to proceed with the issue of the Incentive Options to the Executive Directors and the Company may need to consider other forms of performance-based remuneration, including by the payment of cash.

7.3 **Specific information required by Listing Rule 10.15**

Under and for the purposes of Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Incentive Options:

- (a) the Incentive Options will be issued under the Plan to Messrs:
 - (i) Mark Davis pursuant to Resolution 6(a); and
 - (ii) Matthew Freedman pursuant to Resolution 6(b),(or their respective nominees);
- (b) each of the Executive Directors is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1. In the event the Incentive Options are issued to a nominee of a Related Party, that person will fall into the category stipulated by Listing Rule 10.14.2;
- (c) the maximum number of Incentive Options to be issued to the Executive Directors (or their respective nominees) under the Plan is 1,500,000, in the proportions set out in Section 7.1 above;
- (d) the current total remuneration package for each of the Executive Directors as at the date of this Notice are set out below:

Executive Director	Salary and fees (inclusive of superannuation)
Mark Davis	\$262,800
Matthew Freedman	\$229,950

- (e) the Executive Directors have not previously been issued Securities under the Plan;
- (f) The Incentive Options have the following excise prices and expiry dates, and will otherwise be issued on the terms and conditions in Schedule 2:

Tranche	Exercise Price \$	Expiry Date
Tranche 1	0.74	5.00pm (AWST) on the date that is 3 years from the date of issue
Tranche 2	0.82	5.00pm (AWST) on the date that is 4 years from the date of issue
Tranche 3	0.92	5.00pm (AWST) on the date that is 5 years from the date of issue

(g) The Board considers that Incentive Options, rather than Shares, are an appropriate form of incentive on the basis that the issue of the Options:

- (i) results in no immediate dilution to the existing Shareholders;
- (ii) aligns the Executive Directors' interests with long term Shareholder value; and
- (iii) encourages the retention of the Executive Directors;

(h) A valuation of the Incentive Options is in Schedule 3, with a summary for each Executive Director below:

Executive Director	Value of Incentive Options
Mark Davis	\$211,498
Matthew Freedman	\$184,815

The Company has used the Black-Scholes model to determine the fair value of the Incentive Options, based on the closing price on 10 November 2020, to determine the number of Incentive Options to be issued. Mark Davis' Incentive Options equate to 80.5% of his fixed remuneration, or \$211,498, and Matthew Freedman's Incentive Options equate to 80.4% of his fixed remuneration, or \$184,815.

- (i) the Incentive Options will be issued no later than three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (j) the Incentive Options will have an issue price of nil as they will be issued as part of each Executive Director's remuneration package;
- (k) a summary of the material terms of the Plan is set out in Schedule 4;
- (l) no loan will be provided to the Executive Directors in relation to the issue of the Incentive Options;
- (m) details of any Securities issued under the Plan will be published in the annual report of the Company relating to a period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan

after any or all of Resolutions 6(a) and (b) (inclusive) are approved and who were not named in the Notice will not participate until approval is obtained under that rule; and

- (n) a voting exclusion statement is included in the Notice.

7.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Incentive Options constitutes giving a financial benefit to the Executive Directors, who are related parties of the Company by virtue of being Directors.

The Board (with Messrs Davis and Freedman abstaining) has resolved that the issue of the Incentive Options constitutes 'reasonable remuneration' in the circumstances, and therefore falls within the scope of the exception in section 211 of the Corporations Act.

7.5 **Board Recommendation**

Resolutions 6(a) and (b) (inclusive) are ordinary resolutions.

The Board (other than Messrs Davis and Freedman who have a material personal interest in the outcome of the Resolutions) recommends that Shareholders vote in favour of Resolutions 6(a) and (b) (inclusive).

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
\$ or A\$	means Australian Dollars.
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
Article	means an article of the Constitution.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Dynamic Drill and Blast Holdings Limited ACN 640 888 213.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (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 Memorandum	means the explanatory memorandum 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	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a

consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of annual general meeting.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and conditions of Incentive Options

1. Entitlement

The Options entitle the Option holder (**Optionholder**) to subscribe for one Share upon the exercise of each Option.

2. Plan

Defined terms in these terms and conditions have the same meaning as in Plan. In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. Quotation of Options

The Company will not apply for official quotation of the Options on ASX.

4. Consideration

The Options will be granted to the Optionholder for nil cash consideration.

5. Exercise price and Expiry date

The Options have the following Exercise Prices and Expiry Dates:

Tranche	Exercise Price	Expiry Date
Tranche 1	0.74	5.00pm (AWST) on the date that is 3 years from the date of issue
Tranche 2	0.82	5.00pm (AWST) on the date that is 4 years from the date of issue
Tranche 3	0.92	5.00pm (AWST) on the date that is 5 years from the date of issue

The Options will expire at 5.00pm (AWST) on the Expiry Date. Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

6. Vesting conditions

The vesting conditions attaching to the Options are subject to these terms and conditions.

- (a) Tranche 1 will vest on the date that is 24 months from the date of grant (**Year 2**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 2.
- (b) Tranches 2 and 3 will vest on the date that is 36 months from the date of issue (**Year 3**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 3.

7. Notice of Exercise

The Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised or other means of payment acceptable to the Company, including cashless exercise as described in paragraph 8. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

8. Cashless Exercise of Options

- (a) The Optionholder may elect not to be required to provide payment of the Exercise Price for the number of Existing Options specified in a Notice of Exercise but that on exercise of those Existing Options the Company will transfer or issue to the Optionholder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the date of the Notice of Exercise and the Exercise Price that would otherwise be payable to exercise those Existing Options (with the number of Shares rounded down to the nearest whole Share).
- (b) Where Market Value means the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding the date of the Notice of Exercise.

9. Timing of issue of Shares and quotation of Shares on exercise

Within 5 business days after the valid exercise of an Option by the Optionholder, the Company will:

- (a) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled;
- (b) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (c) if required and subject to paragraph 10, give ASX a notice that complies with section 708A of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

10. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months

after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A of the Corporations Act.

11. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options within 10 Business Days after the date of issue of those Shares.

12. Options not transferrable

The Options will not be transferable.

13. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

14. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

15. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.

16. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Schedule 3 Valuation of Incentive Options

The Incentive Options to be issued to the Executive Directors pursuant to resolutions which form Resolution 6 have been valued according to the Black & Scholes valuation model on the following assumptions:

Related Party	Mark Davis			Matthew Freedman		
	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Incentive Options						
Assumed Share price at date of issue	\$0.51	\$0.51	\$0.51	\$0.51	\$0.51	\$0.51
Exercise price	\$0.74	\$0.82	\$0.92	\$0.74	\$0.82	\$0.92
Market value on ASX of underlying Shares at time of setting exercise price	\$0.51	\$0.51	\$0.51	\$0.51	\$0.51	\$0.51
Exercise price premium to market value	145%	160%	180%	145%	160%	180%
Expiry date	5.00pm (AWST) on the date that is 3	5.00pm (AWST) on the date that is 4	5.00pm (AWST) on the date that is 5	5.00pm (AWST) on the date that is 3	5.00pm (AWST) on the date that is 4	5.00pm (AWST) on the date that is 5

	years from the date of issue	years from the date of issue	years from the date of issue	years from the date of issue	years from the date of issue	years from the date of issue
Expected volatility	100%	100%	100%	100%	100%	100%
Risk free interest rate	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
Annualised dividend yield	0%	0%	0%	0%	0%	0%
Value of each Incentive Option	\$0.276	\$0.266	\$0.254	\$0.276	\$0.266	\$0.254
Aggregate value of Incentive Option	\$55,585	\$79,759	\$76,154	\$48,391	\$69,789	\$66,635

Notes:

The valuations took into account the following matters:

1. The following Vesting Conditions apply to the Incentive Options:
 - (a) Tranche 1 Incentive Options will vest on the date that is 24 months from the date of grant (**Year 2**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 2; and
 - (b) Tranches 2 and 3 Incentive Options will vest on the date that is 36 months from the date of issue (**Year 3**) subject to the relevant participant in the Plan remaining employed or otherwise engaged by the Company at all times during Year 3.
2. Incentive Options: with non-market based vesting conditions can only be exercised following the satisfaction of the Vesting Condition, a change of control or winding up occurring, or a takeover bid becoming unconditional.

3. The Directors have assessed the likelihood of the Vesting Condition for the Incentive Options: being achieved as:
 - (a) 80% for the Tranche 1 Incentive Options;
 - (b) 80% for the Tranche 2 Incentive Options subject to the Vesting Condition for the Tranche 1 Incentive Options being satisfied, thus giving a multiplicative likelihood of 80%; and
 - (c) 80% for the Tranche 3 Incentive Options, subject to the Vesting Condition for the Tranche 1 and Tranche 2 Incentive Options being satisfied, thus giving a multiplicative likelihood of 80%.
4. The valuation of Incentive Options assumes that the exercise of a right does not affect the value of the underlying asset.
5. Given that the Incentive Options are to be issued for no cash consideration, the value of the Incentive Options is reflected in the underlying Share price at the valuation date. The Share price used is based on the closing price on 10 November 2020, being \$0.51

Schedule 4 Summary of Employees Securities Incentive Scheme

1. Eligible Participant

"Eligible Participant" means a person that:

- (a) is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

2. Maximum allocation

The Company must not make an offer of Securities under the Plan where the total number of Plan Shares that may be issued, or acquired upon exercise of Plan Convertible Securities offered, when aggregated with the number of Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period would exceed 5% of the total number of Shares on issue at the date of the offer.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of the Listing Rules is 10,000,000 (ASX Limit), meaning that the Company may issue up to the ASX Limit under the Plan, without seeking Shareholder Approval and without reducing its placement capacity under Listing Rule 7.1.

3. Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate) by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

4. Plan administration

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

5. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

6. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

7. Terms of Convertible Securities

Each Convertible Security represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them. For the avoidance of doubt, a Participant includes any contractor or consultant to a member of the Group.

8. Vesting

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

9. Exercise of Options and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the Convertible Security exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

"Market Value" means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

10. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

11. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a certain Group policy or wilfully breached his or her duties to the Group (including but not limited to breaching a material term of an employment, executive services or consultancy agreement), the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

A Participant may by written notice to the Company voluntarily forfeit their Convertible Securities for no consideration.

12. Change in control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

13. Rights attaching to Plan Shares

All Shares issued or transferred to a Participant upon the valid exercise of a Convertible Security (**Plan Shares**) will rank *pari passu* in all respects with the Shares of the same class.

A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company

in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

14. Disposal restrictions on Plan Shares

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

15. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

16. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

17. Amendment of Plan

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to

correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

18. Plan duration

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

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

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Monday, 7 December 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

