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**Freehill Mining Limited**  
**ACN 091 608 025**

**Notice of Annual General Meeting and  
Explanatory Memorandum and  
Proxy Form**

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**Date of Meeting:** Friday 29 November 2019

**Time of Meeting:** 3:00pm (AEDT)

**Place of Meeting:** Institute of Chartered Accountants, Level 18, Bourke Place, 600 Bourke Street, Melbourne

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

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# Freehill Mining Limited

## Notice of General Meeting

Notice is hereby given that the 2019 Annual General Meeting of Shareholders of Freehill Mining Limited (**Company**) will be held at the Institute of Chartered Accountants, Level 18, Bourke Place, 600 Bourke Street Melbourne, on Friday, 29 November 2019 at 3:00pm (AEDT) (**General Meeting**).

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

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in the Glossary.

## Agenda

### **1. Item 1 – Financial and related reports**

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To receive and consider the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports in respect of the financial year ended 30 June 2019.

### **2. Resolution 1 – Adoption of Remuneration Report (Non-binding resolution)**

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

*“That the Remuneration Report for the financial year ended 30 June 2019 included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company.”*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons:

- (a) Key management Personnel; and
- (b) Closely Related Parties of Key Management Personnel.

However, the Company need not disregard a vote if it is:

- (c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or
- (d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

### **3. Resolution 2 – Re-election of Mr Raymond Mangion**

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

*“That Mr Raymond Mangion retires as a Director of the Company in accordance with the Constitution, and being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”*

### **4. Resolution 3 – Approval of Issue of Shares to Mr. Paul Davies**

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

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,572,457 fully paid ordinary shares to Mr. Paul Davies in lieu of cash payment for services rendered to the Company, on the terms set out in the Explanatory Memorandum.”*

### **5. Resolution 4 – Approval of Additional 10% Placement Capacity (Special Resolution)**

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

*“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval be given for the issue of equity securities of up to 10% of the issued capital of the Company (at the time of the issue or the agreement to issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

### **6. Resolution 5 – Board Spill Meeting (Contingent Resolution)**

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**Note** – the following resolution will only be put to the General Meeting if at least 25% of votes cast on Resolution 1 (Adoption of Remuneration Report) are “against” that resolution. If less than 25% of the votes cast on Resolution 1 are against that resolution, then there will be no second strike and Resolution 5 will not be put to the General Meeting.

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

*“That, for the purposes of section 250V(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) and for all other purposes:*

- (a) a meeting of the Company’s members be held within 90 days of the date of this General Meeting (**Spill Meeting**);*
- (b) all of the Company’s Directors in office when the Board resolution to approve the Directors’ Report for the financial year ended 30 June 2019 was passed who remain in office as Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

#### **Voting Exclusion**

The Company will disregard any votes cast on this resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons:

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- (a) Key Management Personnel; and
- (b) Closely Related Parties of Key Management Personnel.

However, the Company need not disregard a vote if it is:

- (c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or
- (d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

**By order of the Board of Freehill Mining Limited:**



**Paul Davies**  
Company Secretary  
Dated: 28 October 2019

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## Explanatory Memorandum

The accompanying Explanatory Memorandum forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this notice of Annual General Meeting and the Explanatory Memorandum.

## Questions from Shareholders

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, RSM Australia Partners, in relation to the conduct of the external audit for the year ended 30 June 2019, or the content of its audit report. Please send your questions to:

The Company Secretary,  
**Freehill Mining Limited**  
Level 24, 570 Bourke Street, Melbourne VIC 3000  
P. 03 8658 5976  
E. [info@freehillmining.com.au](mailto:info@freehillmining.com.au)

Written questions must be received by no later than 5.00pm (AEDT) on Friday, 22 November 2019.

Your questions should relate to matters that are relevant to the business of the Annual General Meeting, as outlined in this Notice of Meeting and Explanatory Memorandum.

In accordance with the Corporations Act and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Annual General Meeting to ask questions about, or make comments upon, matters in relation to the Company including Remuneration Report.

During the course of the Annual General Meeting, the Chairman will seek to address as many Shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However there may not be sufficient time to answer all questions at the Annual General Meeting. Please note that individual responses may not be sent to Shareholders.

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## VOTING INFORMATION

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### Voting by proxy

- (a) A Shareholder entitled to attend and vote at the General Meeting may appoint one proxy or, if the Shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the Shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the meeting.
- (c) A proxy need not be a Shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a Shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 3:00pm (AEDT) on 27 November 2019**:
- by post at GPO Box 5193 Sydney NSW 2001; or
  - by personal delivery to Automic Registry, Level 12, 575 Bourke St, Melbourne, Victoria, 3000; or
  - by facsimile: +61 2 8583 3040.

### Voting and other entitlements at the General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations* 2001 that shares in the Company which are on issue at **7.00pm (AEDT) on 27 November 2019** will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

### Proxy voting by the Chair

The Chair intends to vote all available undirected proxies in favour of each item of business.

If you appoint the Chair as your proxy or the Chair is appointed by default and your voting direction is not indicated, the Chairman may exercise your proxy even if he has an interest in the outcome of those items.

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# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Memorandum are defined in the Glossary.

## 2. Financial and Related Reports

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Section 317 of the Corporations Act requires the Company's Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2019 to be tabled before the Company's 2019 Annual General Meeting. There is no requirement for a formal resolution on this item.

The Financial Report contains the financial statements of the consolidated entity consisting of the Company and its controlled entities. As permitted by the Corporations Act, a printed copy of the Company's 2019 Annual Report has been sent only to those Shareholders who have elected to receive a printed copy. The 2019 Annual Report, which contains the Directors' Report, the Financial Report and the Remuneration Report, is available from the Company's website ([www.freehillmining.com](http://www.freehillmining.com)).

The Chair of the meeting will allow a reasonable opportunity at the Annual General Meeting for Shareholders to ask questions and to ask the Company's auditor questions about its Audit Report, the conduct of its audit of the Company's Financial Report for the year ended 30 June 2019, the preparation and content of its Audit Report, the accounting policies adopted by the Company in its preparation of the financial statements, and the independence of the Company's auditor in relation to the conduct of the audit.

## 3. Resolution 1 – Adoption of Remuneration Report (Non-binding resolution)

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### 3.1 Background

The purpose of Resolution 1 is to lay before the Shareholders the Company's Remuneration Report for the year ended 30 June 2019 so that Shareholders will have an opportunity to discuss and put questions in respect of the Remuneration Report and the management of the Company, and vote on an advisory and non-binding resolution, pursuant to section 250R(3) of the Corporations Act, to adopt the Remuneration Report. Shareholders should note that, as this Resolution is advisory only and the outcome of the vote does not bind the Directors or the Company.

The Board 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.

The Remuneration Report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company.

The Remuneration Report forms part of the Directors' Report which has been unanimously adopted by resolution of the Board. The Directors have resolved in favour of the Remuneration Report and commend it to Shareholders for adoption. The Company encourages all Shareholders to cast their votes on Resolution 1.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on this Resolution by marking either "For", "Against" or "Abstain" on the proxy form for this Resolution.

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If you appoint the Chairman of the meeting as your proxy (or if he may be appointed by default) and do not direct him how to vote on this Resolution 1, he will vote your proxy in favour of Resolution 1.

### **3.2 Application of the two strikes rule**

Section 250V of the Corporations Act provides that if at least 25% of the votes cast on a resolution that a listed company's remuneration report be adopted were against the adoption of the report at two consecutive annual general meetings, a resolution must then be put to shareholders at the later of the consecutive annual general meetings as to whether another meeting should be held (within 90 days of the later annual general meeting) at which all directors, other than any managing director, who were in office at the date of approval of the applicable remuneration report and remain in office, must stand for re-election.

At the Company's annual general meeting in 2018, 41.8% of the votes cast on the resolution to adopt the Company's remuneration report were cast against the resolution. Accordingly, if 25% or more of the votes cast at the General Meeting on Resolution 1 are cast against the adoption of the Remuneration Report then the Company will be required to put to vote a further resolution (being the contingent resolution set out as Resolution 5) to hold a Spill Meeting.

If Resolution 5 applies and is approved by more than 50% of Shareholders, then at the Spill Meeting all directors will cease to hold office immediately before the end of the Spill Meeting but may, if eligible, stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as directors is approved would be the directors of the Company. For further details see section 7 below.

### **3.3 Important notice regarding appointment of proxies in relation to Resolution 1**

For the purposes of sections 250R(2) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity) by or on behalf of a member of the Company's Key Management Personnel (including the Directors), details of whose remuneration are included in the Remuneration Report or their closely related entities, whether as a shareholder or as a proxy except that the vote may be cast on Resolution 1 by a Key Management Personnel, or a Closely Related Party of a Key Management Personnel, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1 and the vote is not cast on behalf of a Key Management Personnel or a Closely Related Party of a Key Management Personnel.

If the Chairman is your proxy or is appointed as your proxy by default and you do not direct your proxy how to vote in respect of Resolution 1 on the Proxy Form, you will be expressly authorising the Chairman to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel,

The Chairman intends to vote undirected proxies in favour of Resolution 1.

## **4. Resolution 2: Re-election of Mr Raymond Mangion**

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### **4.1 Purpose of Resolution**

In accordance with clause 24 of the Company's Constitution, Mr. Raymond Mangion retires and offers himself for re-election to the Company's Board.

### **4.2 About Mr. Raymond Mangion**

Mr. Mangion has been a Director of the Company since March 2015, and the Company's Chairman since July 2018. Mr. Mangion has performed the role of Managing Director of Morbak Investments Pty Ltd for the past 18 years, having created the business as a start-up business. He has approximately 30 years' managerial experience.

### **4.3 Board Recommendation**

The Board, with Mr. Mangion abstaining from making a recommendation, recommends that Shareholders vote in favour of Resolution 2.



## **5. Resolution 3 – Approval of Issue of Shares to Mr Paul Davies**

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### **5.1 Purpose of Resolution**

As determined by the Board, Mr. Paul Davies is entitled to receive remuneration of \$99,000 for the 2019 calendar year as agreed by the Board in accordance with the Company's remuneration policy, and has agreed to receive payment of \$30,000 of that amount in shares. As a consequence, the remuneration payable to Mr. Davies for this period will be reduced by \$30,000. Under Resolution 3, approval is sought for the purposes of ASX Listing Rule 10.11 and for all other purposes, in respect of the issue of 2,572,457 shares in respect of Mr. Davies' remuneration to the value of \$30,000.

The issue price of the shares is calculated by reference to the 15 day VWAP for the period prior to the date of this Notice of Meeting. If shareholders do not approve the issue of shares, the remuneration will be paid in cash when due.

### **5.2 ASX Listing Rule 10.11**

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

(a) **Names of directors and maximum number of shares to be issued**

2,572,457 shares to Mr. Paul Davies or his nominee.

(b) **Issue Price**

The shares will be issued at a price of \$ 0.011662 per share, being the volume weighted average price of the Company's shares for the 30 days on which trades of the Company's shares occurred for the period ending on 15 October 2019.

(c) **Date by which the shares will be issued**

The shares will be issued as soon as practicable, but in any event no later than one (1) month after the Annual General Meeting.

(d) **Terms of the shares**

The shares will be issued on the same terms and conditions and rank equally in all respects with the Company's existing shares.

(e) **Use of Funds Raised**

As the shares will be issued as Director remuneration, no funds will be raised, however the Company will reduce its payment obligation in respect of Mr. Davies' remuneration for the 2019 calendar year by the amount of \$30,000.

### **5.3 Chapter 2E Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of shares contemplated by Resolution 3 constitutes the provision of a financial benefit to a related party. The Board has considered the application of Chapter 2E of the Corporations Act (related party provisions) and is of the view that having regard to Mr. Davies' remuneration and position as the Company's Finance Director and Company Secretary, the reasonable remuneration exceptions provided by section 211 of the Corporations Act are relevant in the circumstances, and accordingly, the Company will not also seek approval for the issue of the options to Mr Davies for the purposes of section 208 of the Corporations Act.

### **5.4 Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by:

- (a) Mr. Paul Davies, as a person who is to receive shares under Resolution 3; and
- (b) an associate of Mr. Davies.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

## **6. Resolution 4 – Approval of Additional 10% Placement Capacity**

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### **6.1 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables an eligible entity to issue equity securities up to 10% of its issued share capital (at the time of the issue or the agreement to issue) through placements over a 12 month period after the annual general meeting (*10% Placement Capacity*). The 10% Placement Capacity is in addition to the Company's 15% placement capacity pursuant to Listing Rule 7.1.

The effect of Resolution 4 will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without using the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company hereby seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated as follows:

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

Where:

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:

- o plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- o plus the number of partly paid shares that became fully paid in the 12 months;
- o plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- o 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 an entity's 15% placement capacity.

**D** is 10%

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**E** is the number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under rule 7.1 or 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities being fully paid ordinary shares.

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to Listing Rules 7.1A(4) and 3.10.5A:

- (a) give to the ASX a list of the allottees of the equity securities and the number of equity securities to be allotted to each (but this list is not required to be released to the market); and
- (b) disclose to the market the details of the dilution to the existing holders of ordinary securities caused by the issue; where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement rather than as a pro rata issue; the details of any underwriting arrangements and fees payable to the underwriter; and any other fees or costs incurred in connection with the issue.

## 6.2 Minimum Price

The issue price of each such security must be no less than 75% of the volume weighted average price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the securities are to be issued is agreed; or
- (b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.

## 6.3 Risk of economic and voting dilution of existing ordinary security holders

Number of Shares		\$0.0055 (50% decrease in Issue Price)	\$0.011 (Issue Price)	\$0.022 (100% increase in Issue Price)
1,125,965,280 being Variable A	10% Voting Dilution	112,596,528 Shares	112,596,528 Shares	112,596,528 Shares
	Funds Raised	\$619,280.90	\$1,238,561.81	\$2,477,123.62
1,688,947,920 being a 50% increase in Variable A	10% Voting Dilution	168,894,792 Shares	168,894,792 Shares	168,894,792 Shares
	Funds Raised	\$928,921.36	\$1,857,842.71	\$3,715,685.42
2,251,930,560 being a 100% increase in Variable A	10% Voting Dilution	225,193,056 Shares	225,193,056 Shares	225,193,056 Shares
	Funds Raised	\$1,238,561.81	\$2,477,123.62	\$4,954,247.23

If Resolution 4 is approved and the Company issues equity securities under the 10% Placement Capacity, there is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the Annual General Meeting; and
- (b) 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,

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which may have an effect on the amount of funds raised by the issue of the equity securities.

The above table shows the potential dilution of existing ordinary security holders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows two examples of:

- (a) the dilution effects where variable 'A' is the number of Shares on issue, and where variable 'A' is increased by 50% and 100% based on the number of Shares on issue; and
- (b) the dilution effects where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price at close of trading on 11 October 2019.

The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of equity securities available under the 10% Placement Capacity.
- (b) No options are exercised into shares before the date of the issue of equity securities.
- (c) 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%.
- (d) The table does not show examples of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Annual General Meeting.
- (e) The table shows only the effect of issue of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (f) The issue of equity securities under the 10% Placement Capacity consists only of shares.

#### **6.4 Timing**

The Company may only issue equity securities pursuant to the 10% Placement Capacity within 12 months of the date of this Annual General Meeting. Further, the approval will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

#### **6.5 Use of Funds**

The Company may use the funds raised from issue of equity securities pursuant to the 10% Placement Capacity for working capital, for further exploration and feasibility studies for major long term production at the Yerbas Buenas Project, in continuing the Company's objective of establishing a JORC-compliant resource, and for the acquisition of new assets.

Subject to satisfaction of any other applicable regulatory requirements, the Company may also issue securities for non-cash consideration for the acquisition of new resources assets and investments. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

#### **6.6 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 Capacity. 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:

- (a) the methods of raising funds that are available to the Company including but not limited to rights issues or other issues in which existing security holders can participate;

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- (b) the effect of the issue of the equity securities on the control of the Company;
- (c) the financial situation and solvency of the Company; and
- (d) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice of Meeting, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

#### **6.7 Information required under Listing Rule 7.3A.6(b)**

Whilst a resolution to approve the 10% Placement Capacity was included in the Company's 2018 Notice of Annual General Meeting, that resolution was ultimately withdrawn and not put to shareholders. As such, the Company did not seek approval for the 10% Placement Capacity at its 2018 Annual General Meeting and no equity securities were issued under the 10% Placement Capacity in the 12 months preceding the date of the upcoming Annual General Meeting. Therefore, no information is provided under Listing Rule 7.3A.6(b).

#### **6.8 Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution 4 by a person (and any associates of such a person) who is expected to participate in issues made under the 10% Placement Capacity and a person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

#### **6.9 Board Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

### **7. Resolution 5 – Board Spill Meeting**

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#### **7.1 General**

Resolution 5 (**Spill Resolution**) is a contingent resolution and will only be put to the General Meeting and voted on if 25% or more of the votes cast on Resolution 1 are cast against the adoption of the Remuneration Report.

If less than 25% of the votes cast on Resolution 1 are cast against adoption of the Remuneration Report at the General Meeting, then Resolution 5 will not be put to the General Meeting.

If put, the Spill Resolution will be considered as an ordinary resolution and, if passed, then it will be necessary for the Board to convene a further meeting of Shareholders (**Spill Meeting**) within 90 days of this General Meeting in order to consider the composition of the Board.

## 7.2 Mechanics of the Potential Spill Meeting

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company:

- (a) All of the Directors who were in office when the Board resolution to approve the Remuneration Report was passed and who remain in office as Directors at the time of the Spill Meeting, being each of:

- (i) Raymond Charles Mangion;
- (ii) Paul Davies;
- (iii) Samuel Duddy; and
- (iv) Peter Hinner,

(together, the **Relevant Directors**)

will automatically cease to hold office immediately before the end of the Spill Meeting, however they may stand for re-election and may be re-elected at the Spill Meeting. For the avoidance of doubt, this includes Mr Raymond Mangion, despite him already being subject to election at the General Meeting.

- (b) No voting exclusions will apply to any resolutions appointing Directors at the Spill Meeting. Accordingly, there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at the subsequent Spill Meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote their own shares in support of their reappointment.

The Corporations Act requires the Company to have a minimum of three Directors (including at least two Directors ordinarily resident in Australia). If, following the Spill Meeting, the Company has fewer than three Directors, the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentages of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3<sup>rd</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations recommends that a listed entity should have a board of an appropriate size and composition with appropriate skills and commitment to enable it to discharge its duties effectively. The board should also be large enough to comprise a variety of perspectives and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflected in the Board elected as a result of the Spill Meeting.

## 7.3 Consequences of voting "for" the Spill Resolution

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders. If the Spill Resolution is put to the General Meeting and passes:

- (a) the Company will need to incur relevant expenses, including legal, printing, mail out and registry costs;
- (b) the Spill Meeting is likely to disrupt the Board and the Company's focus away from core business operations due to the necessary diversion of resources and time toward organising the Spill Meeting;
- (c) there will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held, which may create instability within the Company and may have a negative effect on the Company's share price and operations; and

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- (d) noting that it is possible that the Relevant Directors will be re-elected at the Spill Meeting, Shareholders are encouraged not to vote “for” the Spill Resolution as a mere protest, where they have no intention of voting against the re-election of the Relevant Directors at the Spill Meeting, given the negative consequences of voting “for” the Spill Resolution as set out above.

#### 7.4 Board Comment and Recommendation

If Resolution 5 is put to Shareholders and you support your current Directors and wish for them to continue as Directors, you should vote against the Spill Resolution (Resolution 5).

If it is required to be put to the General Meeting, the Board unanimously recommends that Shareholders vote **against** Resolution 5.

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### Glossary

In this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires.

**AEDT** means Australian Eastern Daylight Saving Time as observed in Melbourne, Victoria.

**ASX** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

**Board** or **Board of Directors** means the Board of Directors of the Company.

**Business Day** means a day on which the ASX is open for trading.

**Chairman** means the chairman of the Annual General Meeting.

**Closely Related Party** means close family members and any controlled companies.

**Company** means Freehill Mining Limited (ACN 091 608 025).

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

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

**Directors** mean the directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting.

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

**Notice of Meeting** means the notice of meeting and Explanatory Statement convening this Annual General Meeting.

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

**Shareholder** means a shareholder of the Company.

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Freehill Mining Limited | ACN 091 608 025

# AGM Registration Card

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

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

# [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: FHS

Your proxy voting instruction must be received by **3:00PM (AEDT) on Wednesday 27 November 2019**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

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.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

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

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by 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

You must sign this form as follows in the spaces provided

- Individual:** Where the holding is in one name, the Shareholder must sign.
- Joint holding:** Where the holding is in more than one name, all of the 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 dispatched 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>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.





