

ADDENDUM TO NOTICE OF GENERAL MEETING

Fenix Resources Limited (ACN 125 323 622) (**Company**) gives notice to shareholders of the Company that, in relation to the Notice of General Meeting dated 14 January 2020 (**Notice of Meeting**) in respect of a general meeting of members to be held at 10:30am (WST) on 18 February 2020 at Grant Thornton, Level 43, 152-158 St Georges Terrace, Perth WA 6000 (**General Meeting**), the Directors have determined to issue this addendum to the Notice of Meeting (**Addendum to Notice of Meeting**) for the purposes set out below.

Definitions in the Notice of Meeting have the same meaning in this Addendum to Notice of Meeting. The Addendum to Notice of Meeting is supplemental to the original Notice of Meeting and should be read in conjunction with the original Notice of Meeting. Save for the amendments set out below, all resolutions and the Explanatory Statement in the original Notice of Meeting remain unchanged.

Annexed to this Addendum to Notice of Meeting is a new Proxy Form. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you wish to change your vote, you must complete and return the new Proxy Form** annexed to this Addendum to the Notice of Meeting.
- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you do not wish to change you vote, you do not need to take any action** as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolutions in the Notice of Meeting, please **complete and return the new Proxy Form** annexed to this Addendum to the Notice of Meeting.

The Company reserves the right to accept Proxy Forms dispatched with the original Notice of Meeting received from Shareholders in the event that a new Proxy Form is not provided by the relevant Shareholder.

Enquires

Shareholders are requested to contact Mr Matthew Foy, Company Secretary, on +61 (8) 9226 2011 if they have any queries in respect of the matters set out in this document or if they require a new Proxy Form.

Dated 4 February 2020

BY ORDER OF THE BOARD

Matthew Foy
Company Secretary
Fenix Resources Ltd

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1. ADDENDUM

Resolutions 2 and 3 and the Notice of Meeting seek Shareholder approval for the grant of Director Incentive Options to Messrs Robert Brierley and Garret Dixon. Following consultation with stakeholders the Company amends the terms of the Director Incentive Options such that the quantum is decreased and exercise price increased.

Accordingly, this Addendum to Notice of Meeting amends and supplements the Notice of Meeting in order to give effect to the changes in Director Incentive Options terms as follows:

- (a) **Replacement Resolutions – Resolutions 2 and 3**
By this Addendum to Notice of Meeting, Resolutions 2 and 3 are replaced with new Resolutions 2 and 3 as detailed below.
- (b) **Explanatory Memorandum – Supplementary Information**

By this Addendum to Notice of Meeting:

Section 4.1 is amended; and

Section 4.3 is amended.
- (c) **Schedules – Supplementary Information**

By this Addendum to Notice of Meeting, Schedule 2 is amended as detailed below.

2. REPLACEMENT RESOLUTIONS

Resolutions 2 and 3 are deleted and replaced with the following Resolutions:

Resolution 2 – Issue of Director Incentive Options – Mr Robert Brierley

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 10.14 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 10,000,000 Unlisted Options to Mr Robert Brierley or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and their nominees and any Associates of those persons. However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person or attorney as a proxy for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote, 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 Prohibition Statement:

In accordance with section 250BB 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. a member of the Key Management Personnel; or
 - B. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Further, a Restricted Voter who is appointed as a proxy will not vote on this Resolution unless:

- (a) The appointment specifies the way the proxy is to vote on this Resolution; or
- (b) The proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution.

Please Note: if the Chair is a person referred to in section 224 of the Corporations Act in the voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on this Resolution. If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company and may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 3 – Issue of Director Incentive Options – Mr Garret Dixon

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 10.14 and sections 195(4) and 208 of the Corporations Act and all other purposes, the Company be permitted and is hereby authorised to offer and, subject to acceptance, grant a total of 10,000,000 Unlisted Options to Mr Garret Dixon or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and their nominees and any Associates of those persons. However, the Company need not disregard a vote if it is cast in favour of the resolution by:

- (a) a person or attorney as a proxy for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote, 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 Prohibition Statement:

In accordance with section 250BB 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. a member of the Key Management Personnel; or
 - B. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Further, a Restricted Voter who is appointed as a proxy will not vote on this Resolution unless:

- (a) The appointment specifies the way the proxy is to vote on this Resolution; or
- (b) The proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution.

Please Note: if the Chair is a person referred to in section 224 of the Corporations Act in the voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on this Resolution. If you are a Restricted Voter and purport to cast a vote other than as permitted above, that will vote will be disregarded by the Company and may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. SUPPLEMENTARY EXPLANATORY MEMORANDUM

2.1 SECTIONS 4.1 & 4.3 OF THE EXPLANATORY MEMORANDUM ARE DELETED AND REPLACED WITH THE FOLLOWING:

4. Resolutions 2 & 3- Issue of Director Incentive Options to Mr Robert Brierley & Mr Garret Dixon

4.1 General

As referred to in section 3.1 above, on 30 December 2019 the Company advised that experienced and accomplished senior executive Mr Garret Dixon had been appointed Non-Executive Chairman of Fenix effective 1 January 2020.

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 10,000,000 Unlisted Options each to Mr Robert Brierley and Mr Garret Dixon (**Related Parties**) (or their respective nominees) comprising:

- (a) 5,000,000 unlisted options exercisable at \$0.06 expiring 31 December 2021 to each Related Party; and
- (b) 5,000,000 unlisted options exercisable at \$0.07 expiring 31 December 2021 to each Related Party,

(the **Director Options**).

On 10 September 2018 shareholders approved the adoption of the Fenix Employee Securities Incentive Plan (**Plan**). The aim of the Plan is to allow the Board to assist eligible persons under the Plan, who in the Board's opinion, are dedicated and will provide ongoing commitment and effort to the Company. Eligible persons are full-time or permanent part-time employees of the Company or a related body corporate (which includes Directors, the company secretary and officers), or such other persons as the Board determines.

To achieve its corporate objectives, the Company needs to attract and retain its key staff. The Board believes that grants made to eligible persons under the Plan provides a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the plan will:

- enable the Company to recruit, incentivise and retain key personnel and other employees needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- align the financial interest of participants in the Plan with those of Shareholders; and
- provide incentives to participants in the Plan to focus on superior performance that creates Shareholder value.

The key features of the Plan are as follows:

- The Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is set out in Schedule 1.
- Any incentive securities issued under the Plan are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of incentive securities, the Board will have the power to amend the Plan as it sees fit.

A detailed overview of the terms of the Plan is set out in Schedule 1. A copy of the Plan can be obtained by contacting the Company. The terms and conditions of the proposed issue of Director Options are set out in Schedule 2.

The Company is proposing to issue up to a total of 20,000,000 Director Options to Managing Director Mr Robert Brierley and Non-Executive Chairman Mr Garret Dixon under the Plan to provide long term incentives linked to the performance of the Company.

4.3 Information required by Listing Rule 10.15

The following information is provided to Shareholders for the purposes of Listing Rule 10.15

- (a) The related parties are Mr Robert Brierley and Mr Garret Dixon by virtue of being Directors of the Company pursuant to Listing Rule 10.14.1.
- (b) The maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

- a. 10,000,000 Director Options to Mr Robert Brierley (or his nominee) comprising:
 - i. 5,000,000 unlisted options exercisable at \$0.06 expiring 31 December 2021; and
 - ii. 5,000,000 unlisted options exercisable at \$0.07 expiring 31 December 2021.
- b. 10,000,000 Director Options to Mr Garret Dixon (or his nominee) comprising:
 - i. 5,000,000 unlisted options exercisable at \$0.06 expiring 31 December 2021; and
 - ii. 5,000,000 unlisted options exercisable at \$0.07 expiring 31 December 2021.
- (c) The Director Options will be granted to the Related Parties no later than three (3) years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) The principal terms of the Plan are set out in Schedule 1. The terms and conditions of the Director Options are set out in Schedule 2.
- (e) No loan has been or will be provided to Messrs Brierley and Dixon relating to the grant of the Director Options. The Director Options will be granted for nil consideration as long term incentives for the Director. Accordingly, no funds will be raised from the grant of the Director Options. Upon exercise of the Director Options, Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.
- (f) A total of 25,750,000 Performance Rights have been granted for nil cash consideration under the Plan to date to the following participants:

Name	Performance Rights
Robert Brierley	6,000,000
Willi Rudin	5,000,000
Marnus Bothma	6,500,000
Nathan Lude	5,500,000
Gavin Argyle	2,250,000
Matthew Foy	500,000
Total	25,750,000

- (g) The current remuneration package of Messrs Brierley and Dixon is set out below:

Eligible Participants	2020/2019
Mr Robert Brierley	\$219,000pa
Mr Garret Dixon	\$157,680pa

- (h) Under the Plan, only eligible persons or their permitted nominees, are entitled to participate in the Plan. Messrs Brierley and Dixon are eligible persons for the purposes of the Plan.

- (i) The unlisted Director Options to be issued to Messrs Brierley and Dixon have been valued by internal management. Using the Black & Scholes option model and based on the assumptions set out below, the unlisted Director Options were ascribed the following value:

Assumptions	Options Ex 6¢	Options Ex 7¢
Valuation date	03/02/2020	03/02/2020
Market price of Shares	\$0.050	\$0.050
Exercise price	\$0.060	\$0.070
Expiry date (length of time from issue)	31/12/2021 (1.88yrs)	31/12/2021 (1.88yrs)
Risk free interest rate (3-year treasury bond)	0.65%	0.65%
Volatility (Discount for lack of marketability)	87%	87%
Indicative value per Director Option	\$0.0213	\$0.0191
Total Value of all Director Options	\$213,267	\$191,438
Robert Brierley	\$106,633	\$95,719
Garret Dixon	\$106,633	\$95,719

Note: The valuation noted above is not necessarily the market price that the unlisted Director Options could be traded at and is not automatically the market price for taxation purposes.

- (j) Details of any securities issued under the scheme will be published in the Company's annual report relating to the period in which they were issued, including a statement that approval was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
- (k) Voting exclusion statements are included in the Notice.

3. AMENDMENT TO SCHEDULE 2 – PARAGRAPHS (A) AND (B)

Schedule 2 is amended by the replacement of clauses (a) and (b) with the following amended clauses:

(a) **Exercise Price**

Subject to paragraph (h), the amount payable upon exercise of each Option will be:

- (i) \$0.06 per Option with respect to 50% of the Options issued; and
- (ii) \$0.07 per Option with respect to 50% of the Options issued
(**Exercise Price**).

(b) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date or following written resignation as a Director or an officer of the Company from the holder.



Fenix Resources Ltd | ACN 125 323 622

GM Registration Card

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

Holder Number:

Vote by Replacement Proxy: FEX

Your proxy voting instruction must be received by **10.30am (WST) on Sunday, 16 February 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 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 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>.

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.



