



25 October 2023

Dear Shareholders

ANNUAL GENERAL MEETING – NOTICE AND PROXY FORM

Notice is hereby given that an Annual General Meeting (Meeting) of Shareholders of Resource Development Group Limited (ACN 149 028 142) (Company) will be held at HLB Mann Judd, Level 4, 130 Stirling Street Perth Western Australia 6000 on Friday, 24 November 2023 at 9.30am (WST).

In accordance with the Treasury Laws Amendment (2021 Measures No.1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below.

The Company strongly encourages Shareholders to lodge a directed proxy form prior to the Meeting. Questions should also be submitted in advance of the meeting as this will provide management with the best opportunity to prepare for the meeting, for example by preparing answers in advance to Shareholder questions. However, votes and questions may also be submitted during the Meeting.

Please find below links to important Meeting documents:

Notice of Meeting and Explanatory Memorandum:

<https://www.resdevgroup.com.au/investor-relations/asx-announcements/>

Alternatively, a complete copy of the Notice of Meeting and Explanatory Statement has been posted on the Company's ASX market announcements page.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

In order to receive electronic communications from the Company in future, please update your Shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents), where you can find your enclosed personalised proxy form. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab. If you are unable to access the Notice of Meeting and Explanatory Memorandum online please contact the Company Secretary, Michael Kenyon, on +61 8 9443 2928 or via email at michael.kenyon@resdevgroup.com.au.

Sincerely

Michael Kenyon
Company Secretary

RESOURCE DEVELOPMENT GROUP LIMITED
ACN 149 028 142
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.30am (WST)
DATE: 24 November 2023
PLACE: HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

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

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 22 November 2023.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MIKE GREY

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

“That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mike Grey, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – ISSUE OF OPTIONS IN LIEU OF DIRECTOR FEES TO MR MIKE GREY

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

“That, for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Mike Grey (or his nominee) 3,636,364 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – ISSUE OF OPTIONS IN LIEU OF DIRECTOR FEES TO MR MARK WILSON

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

“That, for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue Mark Wilson (or his nominee) 3,636,364 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

5. **RESOLUTION 5 – APPROVAL OF INCENTIVE AWARDS PLAN**

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

*“That the establishment by the Company of an employee incentive scheme titled “RDG Incentive Awards Plan” (**Plan**) and the issue of up to [100,000,000] Equity Securities under that Plan, are approved under and for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19, sections 200B and 200E of the Corporations Act and for all other purposes, on the terms and conditions set out in the Explanatory Statement.”*

6. **RESOLUTION 6 – APPROVAL TO ISSUE FY23 PERFORMANCE RIGHTS TO ANDREW ELLISON**

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

“That, for the purposes of ASX Listing Rules 10.14 and 10.19, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, Shareholders approve the issue of 4,041,020 FY23 Performance Rights to Managing Director Andrew Ellison or his nominee under the Plan on the terms and conditions set out in the Explanatory Statement”.

7. **RESOLUTION 7 – APPROVAL TO ISSUE FY24 PERFORMANCE RIGHTS TO ANDREW ELLISON**

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

“That, for the purposes of ASX Listing Rules 10.14 and 10.19, sections 195(4), 200B, 200E and 208 of the Corporations Act, and for all other purposes, Shareholders approve the issue of 13,303,769 FY24 Performance Rights to Managing Director Andrew Ellison or his nominee under the Plan on the terms and conditions set out in the Explanatory Statement”.

Dated: 11 October 2023

By order of the Board



Michael Kenyon
Company Secretary

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
<p>Resolutions 3 – 7</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on these Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on the Resolutions. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolutions are connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<p>Resolution 3 – Issue of Options In Lieu Of Director Fees to Mr Mike Grey</p>	<p>Mike Grey (or his nominee) and any other person who will obtain a material benefit as a result of the Issue of the Options or an associate of that person or those persons.</p>
<p>Resolution 4 – Issue of Options In Lieu Of Director Fees to Mr Mark Wilson</p>	<p>Mark Wilson (or his nominee) and any other person who will obtain a material benefit as a result of the Issue of the Options or an associate of that person or those persons.</p>
<p>Resolution 5 – Approval of Incentive Awards Plan</p>	<p>A person who is eligible to participate in the Plan, an officer of the Company or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any Associate of that person or those persons.</p>

Resolution 6 – Approval to issue FY23 Performance Rights to Mr Andrew Ellison	A person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of Associate of that person or persons.
Resolution 7 – Approval to issue FY24 Performance Rights to Mr Andrew Ellison	A person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan, or an officer of the entity or any of its child entities who is entitled to participate in a termination benefit under the Plan, or any of Associate of that person or persons.

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

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9443 2928.

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.resdevgroup.com.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

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

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

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

1.2 Voting consequences

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

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

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

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

1.3 Previous voting results

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MIKE GREY

2.1 General

Clause 14.2 of the Constitution requires that one third of Directors (excluding the Managing Director) or, if their number is not a multiple of 3, then the number nearest one third (rounded up in the case of doubt) must retire at each annual general meeting of the Company provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

ASX Listing Rule 14.4 provides that a Director must not hold office, without re-election, past the third annual meeting following the Director's appointment or 3 years, whichever is longer.

The Company currently has 3 Directors and, therefore, one Director must retire under Clause 14.2.

Mr Grey, who was elected as a Director by Shareholders on 2 June 2020, will retire pursuant to Clause 14.2 of the Constitution and Listing Rule 14.4 and, being eligible, seeks re-election as a Director.

2.2 Qualifications and other material directorships

2.3 Mr Grey has over 35 years of experience in the mining industry having started his career with Alluvial Gold Mining where he was responsible for constructing, operating and maintaining numerous floating gold dredges and hard rock gold mining and processing. After gaining valuable experience in the gold industry, Mr Grey moved into iron ore mining, holding a range of Maintenance Management and Mine Management positions across a number of projects in the Kimberley, Pilbara and Yilgarn regions of Western Australia. Mr. Grey joined Mineral Resources Limited in 2009 and is currently Chief Executive, Mining Services.

2.4 Independence

Mr Mike Grey is not considered to be an independent Director.

2.5 Board recommendation

The Board (other than Mr Grey who has a material personal interest in the Resolution) has reviewed Mr Grey performance since his appointment to the Board and considers that Mr Grey's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Grey) supports the re-election of Mr Grey and recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTIONS 3 AND 4 – ISSUE OF OPTIONS IN LIEU OF DIRECTOR FEES

3.1 General

The Company proposes to issue 3,636,364 Options to each of Mr Mike Grey and Mr Mark Wilson or their nominees (together, the **Related Parties**) in lieu of receiving their Directors' fees in cash for the financial year ending 30 June 2023, being \$80,000 (**Fees**).

The Options will have an exercise price of \$0.047 each, expire 3 years from the date of issue with 25% vesting on issue and 25% vesting on each of 31 December 2023, 31 March 2024 and 30 June 2024 (**Related Party Options**).

3.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 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 issue of the Related Party Options constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Related Party Options are proposed to be issued to two of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Options. Accordingly, Shareholder approval for the issue of Related Party Options to the Related Parties is sought in accordance with sections 195(4) and 208 of the Corporations Act.

3.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 and 4 seek the required Shareholder approval for the issue of the Related Party Options or the purposes of Listing Rule 10.11.

3.4 Technical information required by Listing Rule 14.1A

If Resolutions 3 and 4 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Related Parties within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

If Resolutions 3 and 4 are not passed, the Company will not be able to proceed with the issue of the Related Party Options to the Related Parties and the Fees will need to be paid in cash.

3.5 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Related Party Options will be issued to:
 - (i) Mr Mike Grey (or his nominee); and
 - (ii) Mr Mark Wilson (or his nominee),each of which fall within the category set out in Listing Rule 10.11.1 by virtue being a Director (or Listing Rule 10.11.4 if a nominee of a Director);
- (b) 7,272,728 Related Party Options will be issued comprising:
 - (i) 3,636,364 Related Party Options to Mr Mike Grey (being the subject of Resolution 3); and
 - (ii) 3,636,364 Related Party Options to Mr Mark Wilson (being the subject of Resolution 4);
- (c) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (d) the Shares to be issued on exercise of vested Related Party Options will be issued on the same terms as and will rank equally with the existing Shares on issue;
- (e) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any

ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;

- (f) the Related Party Options will be issued for nil cash consideration;
- (g) the primary purpose of the issue of Related Party Options to the Related Parties for is:
 - (i) to align the interests of the Related Parties with those of Shareholders; and
 - (ii) to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (h) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below (inclusive of the Options proposed to be granted under Resolutions 3 and 4):

Related Party	Current Financial Year	Previous Financial Year
Mike Grey ¹	\$80,000	\$61,500
Mark Wilson ¹	\$80,000	\$61,500

Notes:

1. Comprising only of share-based payments.

- (i) the Related Party Options are not being issued under an agreement;
- (j) the value of the Related Party Options and the pricing methodology is set out in Schedule 2 ;
- (k) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options ¹
Mike Grey	274,683	7,631,357 ²
Mark Wilson	-	7,631,357

Notes:

1. Each Related Party has a relevant interest in 2,077,922 unquoted Options (\$0.07 exercise price, expiring 15/01/2024), 3,053,435 unquoted Options (\$0.049 exercise price, expiring 13/6/2025) and 2,500,000 unquoted Options (\$0.06 exercise price, expiring 27/1/2026).

2. 5,131,357 options are held indirectly by Kelly Grey, the spouse of Mr Grey,

- (l) if the Related Party Options issued to the Related Parties are exercised, a total of 7,272,728 Shares would be issued. This will increase the number of Shares on issue from 2,885,116,268 (being the total number of Shares on issue as at the date of this Notice) to 2,892,388,996 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted

by an aggregate of 0.25%, comprising 0.125% for each of the Related Parties;

- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.068	20 January 2023
Lowest	\$0.043	3 October 2023
Last	\$0.043	6 October 2023

- (n) the Board acknowledges the issue of Related Party Options to those Related Parties who are non-executive Directors is contrary to the guidelines to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Related Party Options to non-executive Directors Mr Grey and Mr Wilson reasonable in the circumstances having regard to the size and level of operations of the Company, its cash reserves and importance to the Company of attracting and retaining non-executive Directors in a manner which does not unduly impact on the Company's cash resources;
- (a) the Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed; and
- (b) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3 and 4.

3.6 Directors' recommendations

- (a) The Board (other than Mr Grey who declines to make a recommendation to Shareholders due to his material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 3 for the following reasons:
- (i) the issue of Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed.
- (b) The Board (other than Mr Wilson who declines to make a recommendation to Shareholders due to his material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 4 for the reasons given in paragraph 3.6(a) above.

- (c) In forming their various recommendations, each Director considered the qualifications and experience of each Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be issued as well as the expiry date, vesting conditions and other material terms of those Related Party Options.
- (d) Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 3 and 4.

3.7 Voting Prohibition – Section 224 of the Corporations Act

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

4. RESOLUTION 5 - APPROVAL OF INCENTIVE AWARDS PLAN

4.1 Background

The Company considers it is desirable to establish an employee incentive scheme called the “RDG Incentive Awards Plan” (**Plan**) under which the Company can issue Equity Securities in the form of Shares, Options and Performance Rights (together, **Awards**).

The objective of the Plan is to attract, motivate and retain key officers, employees and consultants of the Company by providing them with the opportunity to acquire Equity Securities that allow them to participate in the future growth of the Company.

4.2 15% placement capacity exception – Listing Rule 7.2 (Exception 13(b))

Overview

Resolution 5 seeks Shareholder approval for the issue of Awards under the Plan, in accordance with Listing Rule 7.2 (Exception 13(b)), such that the issue of Awards under it, up to the maximum number referred to below, will not reduce the Company’s 15% placement capacity under ASX Listing Rule 7.1 for a period of 3 years from the date the resolution is passed.

Listing Rules 7.1 and 7.2 (Exception 13(b))

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 (Exception 13(b)) provides that issue of Equity Securities under an employee incentive scheme within period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme is an exception to Listing Rule 7.1.

In accordance with the requirements Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the proposed approval of the Plan and the issue of Equity Securities under it:

- (a) a summary of the terms of the Plan is provided in Schedule 3;
- (b) no Equity Securities have previously been issued under the Plan;
- (c) a voting exclusion statement is included in Resolution 5 of this Notice; and
- (d) the maximum number of Awards proposed to be issued under the Plan following Shareholder approval is 100,000,000. This maximum is 3.5% of the Shares on issue as at the date of this Notice.

If Resolution 5 is passed, the Company will be able to issue Awards under the Plan, up to the maximum number stated above, to eligible participants over a period of 3 years from the date the resolution is passed without using any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will still be able to proceed with the issue of Awards under the Plan to eligible participants but any issue will reduce the Company's 15% placement capacity under Listing Rule 7.1 for the 12 month period following the issue of the Awards unless the issue falls within another exception to Listing Rule 7.1 such as under Listing Rule 10.14.

For the avoidance of doubt, the Company will need separate Shareholder approval under Listing Rule 10.14 in respect of any future issue of Awards under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained. For this reason, the Company is also seeking approval under Resolutions 6 and 7 for the issue of Performance Rights to Director Mr Andrew Ellison pursuant to the Plan for the purposes of Listing Rule 10.14.

Note that the maximum above is not intended to be a prediction of the actual number of Equity Securities to be issued under the Plan. However, Awards issued in excess of the above maximum, unless they are issued under another exception to Listing Rule 7.1 such as under Listing Rule 10.14, will reduce the Company's 15% placement capacity under Listing Rule 7.1 for 12 months from the date of issue.

4.3 Termination benefits

Overview

Resolution 5 also seeks Shareholder approval, in accordance with section 200E of the Corporations Act and ASX Listing Rule 10.19, to permit the Company to give certain termination benefits under the Plan.

Sections 200B and 200E of the Corporations Act

Section 200B of the Corporations Act prohibits benefits being given to a person in connection with a person's (the **Retiree's**) retirement from an office or position of employment with the Company or any of its Related Bodies Corporate where:

- (a) the office or position is a "managerial or executive office" (as defined in the Corporations Act); or
- (b) the Retiree held such an office at any time in the three years prior to their retirement,

unless Shareholders approve the benefit under section 200E of the Corporations Act or an exemption applies. Sections 200F and 200G of the Corporations Act provide exemptions for certain benefits provided they fall below certain limits – in general terms up to a maximum of 1 year’s annual base salary (**Benefit Caps**).

The term “benefit” has a wide meaning under the Corporations Act and may include benefits that arise, upon a person ceasing to hold office or employment, as a result of the waiver or acceleration, either automatically or in the Board’s discretion, of vesting conditions or disposal restrictions applying to Awards issued under the Plan.

Shareholders are being asked to approve any such benefits that may arise in these circumstances.

The value of such benefits that may be given under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company’s Share price at the time of benefit being given and the number of Awards to which the benefit relates. The following additional factors may also affect the benefit’s value:

- (a) the portion of any relevant performance periods that have elapsed and the extent to which any vesting conditions have been satisfied at the time of the Retiree ceasing to hold the office or position of employment;
- (b) the circumstances and reasons for the Retiree ceasing to hold the office or position of employment;
- (c) the time elapsed since the relevant Awards were granted relative to the date any vesting condition or disposal restriction would otherwise have been satisfied or lapsed.

Listing Rule 10.19

Listing Rule 10.19 provides that, without Shareholder approval, a company must ensure that no officer of the Company or any of its child entities (**Officer**) will, or may be, entitled to “termination benefits” if the value of those benefits and the terminations benefits that are or may be payable to all Officers together exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

“Termination benefits” are payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident funds and those required by law to be made.

As noted above, benefits that may be given in accordance with the Plan, upon a person ceasing to hold office or employment, include benefits arising from the waiver or acceleration, either automatically or in the Board’s discretion, of vesting conditions or disposal restrictions applying to Awards issued under the Plan. These may constitute termination benefits for the purposes of Listing Rule 10.19.

Depending on the value of these termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits, when aggregated with any other termination benefits other Officers may become entitled to, would exceed the 5% threshold provided for in Listing Rule 10.19. Shareholder approval is therefore being sought under the Listing Rules.

Summary

The Company is therefore seeking Shareholder approval in advance:

- (a) under section 200E of the Corporations Act for any benefits given under the Plan in connection with any Retiree ceasing office or employment; and
- (b) under ASX Listing Rule 10.19 for any termination benefits given under the Plan to Officers.

If Resolution 5 is passed, the value of these benefits will be disregarded when determining the Benefit Caps under Sections 200F and 200G of the Corporations Act, and the cap on termination benefits under ASX Listing Rule 10.19.

If Resolution 5 is not passed, the value of these benefits will be included when determining the Benefit Caps under Sections 200F and 200G of the Corporations Act and the cap on termination benefits under ASX Listing Rule 10.19.

Resolution 5 is an ordinary resolution.

4.4 Board recommendation

All the Directors decline to make a recommendation in relation to Resolution 5 due to their potential personal interests in the outcome of the Resolution.

5. RESOLUTIONS 6 AND 7 - ISSUE OF MD PERFORMANCE RIGHTS TO ANDREW ELLISON

5.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 17,344,789 Performance Rights to the Company's Managing Director, Mr Andrew Ellison (or his nominees) under the Company's Incentive Awards Plan (**Plan**), with:

- (a) 4,041,020 Performance Rights to be issued in satisfaction of Mr Ellison's performance for the financial year ended 30 June 2023 (**FY23 Performance Rights**); and
- (b) 13,303,769 Performance Rights to be issued as a long term incentive tied to Mr Ellison's and the Company's performance for the financial year ending 30 June 2024 (**FY24 Performance Rights**).

The FY23 Performance Rights and FY24 Performance Rights (together the **MD Performance Rights**) have a nil issue price and once vested can be exercised for nil cost into Shares on a one for one basis. The FY23 Performance Rights will expire three years after issue and the FY24 Performance Rights will expire four years after issue.

The FY23 Performance Rights:

- (a) represent settlement of the STI portion of Mr Ellison's FY23 compensation to which he is entitled which was assessed by the Board as achieved to a level of 81% (being a value of \$182,250) of the total available 100% STI. The number of FY23 Performance Rights was determined by dividing this value by the 20 day VWAP Share price to 6 October 2023 (**VWAP Share Price**); and
- (b) will vest subject to Mr Ellison remaining Managing Director of the Company until 30 June 2025.

The FY24 Performance Rights are subject to vesting conditions tied to Mr Ellison's and the Company's FY24 performance as detailed in Schedule 4. The Board will assess achievement against these vesting conditions following release of the Company's FY24 audited accounts and determine the percentage of FY24 Performance Rights that are capable of vesting. This percentage will then vest subject to Mr Ellison remaining Managing Director of the Company until 30 June 2026.

The number of FY24 Performance Rights was determined by dividing the maximum possible LTI portion of Mr Ellison's FY24 compensation (being \$600,000, or 80% of his base salary of \$750,000) by the VWAP Share Price.

Resolutions 6 and 7 seek Shareholder approval respectively for the grant of the FY23 Performance Rights and FY24 Performance Rights to Mr Ellison (or his nominee) under the Plan.

5.2 Related Party Transaction

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 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.

Mr Ellison is a related party of the Company by virtue of being a Director of the Company. Accordingly, the proposed issue of the MD Performance Rights constitutes the giving of a financial benefit to a related party of the Company.

It is the view of Directors that the exceptions set out in sections 210 to 216 of the Corporations Act may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the MD Performance Rights to the Mr Ellison (or his nominee) in accordance with section 208 of the Corporations Act.

5.3 ASX Listing Rule 10.14

ASX 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 without the approval of its Shareholders:

- (a) a director of the Company (Listing Rule 10.14.1);
- (b) an associate of a person referred to in Listing Rule 10.14.1 (Listing Rule 10.14.2); and
- (c) a person whose relationship 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).

Mr Ellison falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company. Accordingly, the Company is seeking Shareholder approval for the issue of the MD Performance Rights. Resolutions 6 and 7 are independent of each other.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the MD Performance Rights as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the MD Performance Rights to Mr Ellison (or his nominees) will not be included in the Company's 15% annual placement capacity in Listing Rule 7.1 or the maximum permitted number of Equity Securities issued under Listing Rule 7.2, exception 13(b).

If Resolution 6 is passed, the Company will be able to proceed with the issue of the FY23 Performance Rights to Mr Ellison (or his nominees).

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the FY23 Performance Rights to Mr Ellison (or his nominees) and the Company will need to consider alternate arrangements, which may include cash payments made in accordance with the Company's ordinary remuneration process.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the FY24 Performance Rights to Mr Ellison (or his nominees).

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the FY24 Performance Rights to Mr Ellison (or his nominees) and the Company will need to consider alternate arrangements, which may include cash payments made in accordance with the Company's ordinary remuneration process.

5.4 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)

In accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the MD Performance Rights.

- (a) The MD Performance Rights will be issued under the Plan to Mr Ellison (or his nominees).
- (b) Mr Ellison falls into the category stipulated by Listing Rule 10.14.1 by virtue of being a Director of the Company. If the MD Performance Rights are granted to a nominee of Mr Ellison, the nominee will be an Associate of Mr Ellison and fall under Listing Rule 10.14.2.
- (c) The total number of MD Performance Rights proposed to be issued to Mr Ellison (or his nominees) is 4,041,020 FY23 Performance Rights and 13,303,769 FY24 Performance Rights.
- (d) The current total remuneration package of Mr Ellison (inclusive of superannuation and equity-based remuneration) for the current financial year, and for the previous two financial years, is as follows. This is in addition to the MD Performance Rights proposed to be granted under Resolutions 6 and 7.

Current financial year to 30 June 2024 (estimate) ⁽¹⁾	Financial year Ended 30 June 2023 ⁽²⁾	Financial year Ended 30 June 2022 ⁽³⁾
\$777,399	\$525,296	\$520,952

Notes:

- 1. Comprising \$750,000 base salary and \$27,399 superannuation.
- 2. Comprising \$500,000 base salary and \$25,296 superannuation.
- 3. Comprising \$420,000 base salary and \$100,953 in equity based payments (Options).

- (e) Mr Ellison (and his associates) have not previously been issued any Awards under the Plan.
- (f) The material terms of the MD Performance Rights are set out in Schedule 4.
- (a) The Board considers that MD Performance Rights, rather than Shares, are an appropriate form of incentive on the basis that:
 - (i) the MD Performance Rights retain and reward Mr Ellison for the achievement of short and long-term business objectives;
 - (ii) Shareholders can readily ascertain and understand the performance milestones which are required to be satisfied for the MD Performance Rights to vest and the number of Shares to which they relate (i.e. each MD Performance Right is a right to be issued one Share upon the satisfaction of the relevant vesting conditions);
 - (iii) Mr Ellison will only obtain the value of the MD Performance Rights and exercise the MD Performance Rights into Shares upon satisfaction of the relevant performance milestones; and
 - (iv) Performance Rights are simple to understand, likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives for successfully delivering long objectives of the Company.
- (g) The Company has valued the MD Performance Rights as having the value equal to the value of a Share, which will therefore change depending on the Share price over time. Based on the 20 days VWAP Share price to 6 October 2023 of \$0.0451, the FY23 Performance Rights have a value of \$182,250 and the FY24 Performance Rights have a value of \$600,000.
- (h) The MD Performance Rights will be issued to Mr Ellison (or his nominees) as soon as practicable following the Meeting, but no later than 3 years after the date of the Meeting.
- (b) The MD Performance Rights will be issued for nil cash consideration and will be provided as an incentive component to Mr Ellison's remuneration package.
- (c) A summary of the material terms of the Plan is in Schedule 3.
- (d) No loan will be made to Mr Ellison (or his nominees) in respect to the issue of the MD Performance Rights.
- (e) Details of any securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (f) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (i) A voting exclusion statements is included in the Notice.

- (j) As at the date of this Notice of Meeting, Mr Ellison has the following relevant interest in the following Company securities (excluding the MD Performance Rights proposed to be granted under this Notice of Meeting).

Shares ⁽¹⁾	Options ⁽²⁾
141,333,058	5,131,357

Notes:

1. 138,983,058 Shares held indirectly by Seafire Holdings Pty Ltd ATF the Seafire Trust. 2,350,000 Shares held indirectly by Andrew Blair Ellison & Serena Maxine Ellison ATF AB & SM Ellison Superannuation Fund.
 2. 2,077,922 unlisted Options (\$0.07 exercise price, 15/1/2024 expiry) and 3,053,435 unlisted Options (\$0.049 exercise price, 13/6/2025 expiry). Held indirectly by Andrew Blair Ellison & Serena Maxine Ellison ATF AB & SM Ellison Superannuation Fund.
- (k) If all of the MD Performance Rights are granted under Resolutions 6 and 7 to Mr Ellison (or his nominees) and vest and are exercised, a total of 17,344,789 Shares would be allotted and issued. This will increase the number of Shares on issue from 2,885,116,268 to 2,902,461,057 (assuming that no other Options or Performance Rights are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.6%.
- (l) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Annual Meeting is set out below:

	Price	Date
Highest	\$0.068	20 January 2023
Lowest	\$0.043	3 October 2023
Last	\$0.043	6 October 2023

- (m) The primary purpose of the grant of the MD Performance Rights to Mr Ellison (or his nominees) is to provide a performance linked incentive component in the overall remuneration package for Mr Ellison to motivate and reward his performance in his role as Managing Director and to assist the Company in retaining his services and expertise in a manner which does not unduly impact on the cash reserves of the Company.
- (n) The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the MD Performance Rights upon the terms proposed. The vesting performance criteria attached to the MD Performance Rights aim to ensure that significant value is created prior to the MD Performance Rights vest.

5.5 Sections 200B and 200E of the Corporations Act

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required under Section 200E of the Corporations Act for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined.

The Plan, and the terms and conditions of grant of MD Performance Rights under the Plan to Mr Ellison (or his nominees), contain a number of provisions which may operate to entitle Mr Ellison (or his nominees) to an early vesting of the MD Performance Rights and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Plan (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving vesting conditions or extending the period for vesting or resolving that unvested Performance Rights do not lapse when otherwise they would).

These may constitute a "benefit" for the purposes of section 200B of the Corporations Act.

The value of any such benefits which may be given to Mr Ellison (or his nominees) cannot presently be ascertained but matters, events and circumstances that may, or will, affect the calculation of that value include:

- (a) the number of MD Performance Rights held by Mr Ellison (or his nominees);
- (b) the number of MD Performance Rights that vest early or do not lapse when otherwise they would;
- (c) the price of Shares on the ASX on the date of ceasing to hold a managerial or executive office with the Company;
- (d) the status of any vesting conditions or other conditions for the MD Performance Rights and the Board's assessment of the performance of Mr Ellison up to the date of ceasing;
- (e) Mr Ellison's length of service and the extent to which he has served any applicable notice period; and
- (f) the reasons for ceasing to hold a managerial or executive office with the Company.

The Company has valued the MD Performance Rights as equal to the value of a Share, as detailed above.

Shareholder approval is sought under section 200E of the Corporations Act to the giving of any benefit to Mr Ellison (or his nominees) in connection with his future cessation of office or position with the Company under the terms of the Plan (or terms and conditions of grant) in relation to the MD Performance Rights, including as a result of any future exercise of a discretion by the Board under the terms of the Plan or the terms and conditions of the MD Performance Rights.

If Shareholder approval is given, the value of the benefit may be disregarded when applying Section 200F(2)(b) or Section 200G(1)(c) of the Corporations Act (i.e. the benefits will not count towards the statutory caps that apply to benefits that may be given without shareholder approval).

Mr Ellison has advised that he have no current intention to resign from his position with the Company.

5.6 Listing Rule 10.19

Listing Rule 10.19 provides that, without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may

be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to the ASX under the Listing Rules.

Section 5.5 above notes that the Plan, and the terms and conditions of grant of Awards under the Plan to Mr Ellison (or his nominees) contain a number of provisions which may constitute benefits for the purposes of section 200B of the Corporations Act. These provisions may also constitute termination benefits for the purposes of ASX Listing Rule 10.19. As such, the Company is also seeking Shareholder approval for these benefits to be given.

If Shareholders approve Resolutions 6 and 7, the value of the benefits will not be counted towards the 5% cap set out in Listing Rule 10.19.

5.7 Directors' recommendations

Mr Ellison declines to make a recommendation to Shareholders in relation to Resolutions 6 and 7 relating to the issue of MD Performance Rights to him (or his nominee) due to his material personal interest in the outcome of the Resolutions. Each of the other Directors, being Mr Mike Grey and Mr Mark Wilson, recommends that Shareholders vote in favour of Resolutions 6 and 7 for the following reasons:

- (a) the issue of MD Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Ellison (or his nominees); and
- (b) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the MD Performance Rights upon the terms proposed.

In forming their various recommendations, each Director considered the qualifications and experience of Mr Ellison, the current market price of Shares, the current market practices when determining the number of MD Performance Rights to be issued as well as the expiry date, vesting conditions and other material terms of those MD Performance Rights.

Except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 6 and 7.

The Board is not aware of any information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 and 7.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the MD Performance Rights to Mr Ellison (or his nominees) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of MD Performance Rights to Mr Ellison (or his nominees) will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

5.8 Voting Prohibition – Section 224 of the Corporations Act

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other

than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

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

Company means Resource Development Group Limited (ACN 149 028 142).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

MD Performance Rights means the FY23 Performance Rights and FY24 Performance Rights the subject of Resolutions 6 and 7 respectively proposed to be issue on the material terms set out in Schedule 4.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Plan means the Company's Incentive Awards Plan as summarised in Schedule 3.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Security means a Share and/or Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

1. Entitlement

Each Option entitles the holder, subject to the satisfaction or waiver of the Vesting Condition below, to subscribe for one Share upon exercise of the Option on the following terms and conditions.

2. Exercise Price

Subject to paragraph 10, the amount payable upon exercise of each Option will be \$0.047 (**Exercise Price**).

3. Expiry Date

Each Option will expire at 5:00pm (WST) three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Vesting Condition

Subject to these terms, the Options are subject to a Vesting Condition that 25% of the Options will vest on issue with 25% vesting on each of 31 December 2023, 31 March 2024 and 30 June 2024 (**Related Party Options**). If the Non-Executive Director (**NED**) to whom the Options were offered ceases to be a Director of the Company, any unvested Options will lapse pro rata to reflect the proportion of the 2024 financial year the NED was a Director, except to the extent the Board exercises its discretion to waive the Vesting Condition.

5. Exercise Period

Vested Options are exercisable at any time and from time to time on or prior to the Expiry Date (**Exercise Period**).

6. Notice of Exercise

Vested Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate or as otherwise agreed with the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

7. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

8. Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (b) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

9. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.

10. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of the Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

12. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

13. Transferability

The Options are not transferable except by force of law or in special circumstances with the consent of the Board (which may be withheld in its discretion).

14. Taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Options.

15. In lieu of Director Fees

The Options are issued in lieu of \$80,000 in Director fees otherwise payable to each of Mr Grey and Mr Wilson for the financial year ending 30 June 2024.

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	6 October 2023
Market price of Shares	4.7 cents
Exercise price	4.7 cents
Expiry date (length of time from issue)	3 years from the date of issue
Risk free interest rate	4.01%
Volatility (discount)	66.8%
Indicative value per Related Party Option	2.2 cents
Total Value of Options	\$160,000
- Mike Grey (Resolution 3)	\$80,000
- Mark Wilson (Resolution 4)	\$80,000

Notes:

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

SCHEDULE 3 – SUMMARY OF INCENTIVE AWARDS PLAN

(a) **Nature of Plan**

An incentive awards plan providing for the issue of Shares, Options and Performance Rights (**Awards**) as incentives to Eligible Participants.

(b) **Eligible Participants**

Eligible Participants are current or proposed:

(a) Directors (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each, a “**Group Company**”);
or

(b) full, part time or casual employees or contractors of any Group Company;
who are declared by the Board to be eligible to receive grants of Awards under the Incentive Awards Plan.

(c) **Invitation and Application Form**

The Board may, in its absolute discretion, make a written invitation to any Eligible Participant to apply for Awards upon the terms set out in the Incentive Awards Plan and upon such additional terms and conditions as the Board determines. On receipt of an Invitation, an Eligible Participant (or their permitted nominee) may apply for the Awards 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 its discretion.

(d) **Invitation Limits**

Where an Invitation for Awards that require cash consideration to be paid either on issue or exercise (eg an Option with an exercise price) is proposed to be made and the Company wishes to rely on the employee share scheme (**ESS**) provisions in Division 1A of Part 7.12 of the Corporations Act (**ESS Provisions**), the Company must reasonably believe, when making such an Invitation, that the Invitation will not result in the Company breaching the cap imposed by the ESS Provisions.

In general terms:

(a) in determining if an Invitation will exceed the cap, the Company must count the Shares that may be issued under the Invitation together with Shares that have been issued, or that may be issued, under invitations that were both received in Australia and made in connection with the Plan or any other employee share scheme over the 3 years prior to the Invitation; and

(b) the cap is 5% of Shares on issue at the time of the Invitation or such other percentage as specified in the Company’s constitution (which does not currently specify a cap).

(e) **Conditions to acquisition of Awards**

The issue of Awards is conditional on any necessary shareholder, contractual and regulatory approval being obtained.

(f) **Terms of Convertible Securities**

- (i) Each Option or Performance Right (each a **Convertible Security**) will entitle its holder to subscribe for and be issued or transferred, one Share (upon vesting and exercise of that Convertible Security) unless the Plan or an applicable Invitation otherwise provides.
- (ii) There are no participating rights or entitlements inherent in Convertible Securities and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the Convertible Securities.
- (iii) There is no right to a change in the exercise price of an Option, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (iv) There is no right to a change in the number of underlying Shares over which a Convertible Security can be exercised, except to the extent an Invitation otherwise provides where permitted by the ASX Listing Rules.
- (v) A Convertible Security does not entitle a participant to vote except as otherwise required by law.
- (vi) A Convertible Security does not confer any right to a return of capital, whether in a winding up, or upon a return of capital or otherwise, or a right to participate in surplus profit or assets of the Company upon a winding up.
- (vii) A Convertible Security does not confer an entitlement to participate in or receive any dividend (whether fixed or at the discretion of the Board) until the Convertible Security has vested and been exercised and Shares have been allocated as a result of the exercise of the Convertible Security.

(g) **Vesting and exercise of Convertible Securities**

Convertible Securities will not vest and be exercisable unless the vesting conditions (if any) attaching to that Convertible Security (**Vesting Conditions**) have been satisfied and the Board has notified the Eligible Participant of that fact. The Board may, in its absolute discretion, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Convertible Securities.

There is no automatic vesting on a change of control but it can be provided for in specific Invitations for specific Convertible Securities.

A vested Convertible Security may, subject to the terms of the Plan and any Invitation, be exercised by the holder at any time before it lapses.

(h) **Cashless Exercise Facility**

The Board may, in its discretion, where the 7 day VWAP price of Shares (**Market Value**) is higher than the exercise price of vested Options, permit a Participant not pay the exercise price for exercised Options and instead be issued that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share) (**Cashless Exercise Facility**).

(i) **Lapsing of Convertible Securities**

A Convertible Security will lapse upon the earlier of:

- (i) the Board, in its discretion, resolving a Convertible Security lapses as a result of an unauthorised disposal of, or hedging of, the Convertible Security;
- (ii) a Vesting Condition not being satisfied or becoming incapable of satisfaction (and not being waived or allowed to continue unvested by the Board in its discretion);
- (iii) in respect of an unvested Convertible Security, the holder ceases to be an Eligible Participant and the Board does not exercise its discretion to vest the Convertible Security or allow it to remain unvested;
- (iv) in respect of a vested Convertible Security, a holder ceases to be an Eligible Participant and the Board, in its discretion, resolves that the Convertible Security must be exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant, and the Convertible Security is not exercised within that period and the Board resolves, at its discretion, that the Convertible Security lapses as a result;
- (v) upon payment of a Cash Payment in respect of the vested Convertible Security;
- (vi) the Board deems that a Convertible Security lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under the rules of the Incentive Plan;
- (vii) in respect of an unvested Convertible Security, a winding up resolution or order is made, and the Convertible Security does not vest in accordance with rules of the Incentive Plan;
- (viii) the Participant and the Company agreeing that the Convertible Security is voluntarily forfeited or cancelled; and
- (ix) the Expiry Date of the Convertible Security.

(j) **Disposal Restriction on Convertible Securities**

Except as otherwise provided for by the Incentive Awards Plan, an Invitation, the ASX Listing Rules or required by law, a Convertible Security may only be disposed:

- (i) with the consent of the Board (which may be withheld in its discretion) in Special Circumstances, being:
 - (A) ceasing to be an Eligible Participant due to death or total or permanent disability, or retirement or redundancy;
 - (B) severe financial hardship; or
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant Invitation; or
- (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(k) **Disposal Restrictions on Shares**

- (i) Shares can be made subject to a Restriction Condition and/or a Restriction Period, either of which prohibit disposal until satisfied or waived at the Board's discretion (unless an Invitation otherwise provides).
- (ii) Shares are deemed to be subject to a Restriction Period to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.
- (iii) If a Restriction Condition is not met (and is not waived), the Company may, amongst other remedies, buyback and cancel the Shares for nil consideration, sell the Shares for at least 80% of Market Value and retain the sale proceeds, or declare the Shares to be forfeited and, where held by a trustee, for the Shares to return to the unallocated pool or to be allocated to a different Participant.
- (iv) A Share that is subject to a Restriction Period is not at risk of buyback/forfeiture, it is just unable to be disposed of during the Restriction Period.
- (v) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares for as long as those Shares are subject to a Restriction Period.
- (vi) The Participant agrees to execute a restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan or any escrow imposed by the ASX Listing Rules.

(l) **Other Key Terms**

- (i) All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (ii) In the event of a reorganisation of the capital of the Company, all rights of the holder of an Award will be amended to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to reorganisations at the time of the reorganisation.
- (iii) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Awards except to the extent an Invitation provides otherwise.
- (iv) No issue or allocation of Awards and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

SCHEDULE 4 – MATERIAL TERMS OF MD PERFORMANCE RIGHTS

(a) Plan

- (i) The MD Performance Rights will be issued for nil cash consideration pursuant to and in accordance with the Plan, as summarised in Schedule 3.
- (ii) 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.

(b) Entitlement

Each MD Performance Right once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company.

(c) Vesting

Subject to the achievement of the applicable Vesting Conditions below, the MD Performance Right will vest and become capable of exercise.

- (i) The FY23 Performance Rights are subject to a Vesting Condition that Mr Ellison remains the Managing Director of the Company until 30 June 2025.
- (ii) The FY24 Performance Rights are subject to Vesting Conditions relating to Mr Ellison and the Company's performance for the financial year ending 30 June 2024 in the categories of:
 - (A) Sustainability (20% weighting);
 - (B) Strategic growth targets (30% weighting);
 - (C) Financial management (30% weighting); and
 - (D) Organisational culture (20% weighting).

The Board will assess achievement against the Vesting Conditions following release of the Company's FY24 audited accounts and determine the percentage of FY24 Performance Rights that are capable of vesting. This percentage will then vest subject to Mr Ellison remaining Managing Director of the Company until 30 June 2026.

(d) Exercise price

No amount is payable to exercise of an MD Performance Right.

(e) Expiry

The FY23 Performance Rights will expire at 5:00pm (WST) on the date that is three years after the issue date.

The FY24 Performance Rights will expire at 5:00pm (WST) on the date that is four years after the issue date.

(f) Change of Control

In the event of a Change of Control, the holder shall be entitled to retain all vested MD Performance Rights.

Any MD Performance Rights will automatically accelerate and vest in full upon the Change of Control and the holder shall be entitled to retain the same.

(g) **Reorganisation of Capital**

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 the holder of the MD Performance Rights 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.

(h) **Participating Rights**

There are no participating rights or entitlements inherent in the MD Performance Rights and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company without exercising the MD Performance Rights.

(i) **Change in Number**

There is no right to a change in the number of underlying Shares over which a MD Performance Right can be exercised.

(j) **General**

The MD Performance Rights:

- (i) are not transferable (and consequently will not be quoted on ASX or any other exchange);
- (ii) do not confer any right to vote, except as otherwise required by law;
- (iii) do not confer any entitlement to a dividend, whether fixed or at the discretion of the Directors;
- (iv) do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; and
- (v) do not confer any right to participate in the surplus profit or assets of the Company upon a winding up,

unless and until any applicable performance milestones are achieved and the MD Performance Rights are converted into Shares.



Proxy Voting Form

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

Resource Development Group Limited | ABN 33 149 028 142

Your proxy voting instruction must be received by **09.30am (AWST) on Wednesday, 22 November 2023**, 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/#/loginsah> 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.



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