
KINGWEST RESOURCES LIMITED
ACN 624 972 185
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am (WST)
DATE: Wednesday, 3 March 2021
PLACE: Level 11, London House
216 St Georges Terrace,
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 1 March 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO SUBSTANTIAL (10%) HOLDER – HORIZON MINERALS LIMITED

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will equal up to \$1,625,000, to Horizon Minerals Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Horizon Minerals Limited (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those 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.

Dated: 19 January 2021

By order of the Board

Stephen Brockhurst
Director and Company Secretary

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 9481 0389.

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.

1. RESOLUTION 1 – ISSUE OF SHARES TO SUBSTANTIAL (10%) HOLDER – HORIZON MINERALS LIMITED

1.1 Background

As announced by the Company on 9 July 2019, the Company entered into an agreement (**Acquisition Agreement**) to acquire the tenements comprising the Menzies and Goongarrie Gold Projects (together, the **Projects**) from Horizon Minerals Limited (**Horizon**) (previously, Intermin Resources Limited) (**Acquisition**).

On 18 September 2019, the Company announced the completion of the Acquisition following the receipt of Shareholder approval on 10 September 2019. Under the terms of the Acquisition Agreement, the Company is required to make a deferred consideration payment to Horizon no later than 18 months after settlement of a further \$1,625,000 in cash and \$1,625,000 in value of Shares (**Deferred Consideration Shares**). The Deferred Consideration Shares are to be issued at a deemed issue price being the lower of:

- (a) \$0.15 per Share; and
- (b) the volume weighted average price (**VWAP**) of Shares for the last 30 trading days prior to the date of issue.

In the event that the issue of the Deferred Consideration Shares would result in a breach of section 606 of the Corporation Act, the Company will settle any excess portion of the deferred consideration in cash.

1.2 Acquisition Agreement

The Acquisition completed on 18 September 2019. The material terms of the Acquisition Agreement are set out below (refer to the Company's Notice of General Meeting dated 10 September 2019 for further information):

(a) Conditions Precedent

The Acquisition Agreement was conditional upon (among other things):

- (i) completion of due diligence on the Projects by the Company to its satisfaction;
- (ii) completion of the Capital Raising (as defined below); and
- (iii) the Company obtaining all necessary regulatory, shareholder and third-party approvals to allow the Company to lawfully complete the Acquisition.

(b) **Consideration**

The consideration payable is as follows:

- (i) a \$750,000 cash deposit (**Deposit**) was paid by the Company following execution of the Acquisition Agreement;
- (ii) upon settlement of the Acquisition (**Settlement**), \$1,000,000 cash and 20,000,000 Shares (**Consideration Shares**);
- (iii) on the date which is no later than 18 months from the date of Settlement:
 - (A) \$1,625,000 cash; and
 - (B) subject to compliance with all applicable laws, \$1,625,000 worth of Shares, at a deemed issue price based on the lower of:
 - (I) the VWAP of Shares for the last 30 trading days prior to the date of issue; and
 - (II) \$0.15 per Share,

(together, the **Deferred Consideration**).

In the event that the issue of Shares as deferred consideration would result in a breach of section 606 of the Corporation Act, the parties may agree to settle any excess portion of the deferred consideration in cash.

(c) **Voluntary Escrow**

The Consideration Shares will be subject to a voluntary escrow period from their date of issue to the earlier of the date which is:

- (i) 18 months following Settlement; and
- (ii) 3 months following the payment/issue (as applicable) of the Deferred Consideration.

(d) **Capital Raising**

The Company were required to undertake a capital raising to raise a minimum of \$4,000,000 by way of a placement to sophisticated, professional and/or other exempt investors under section 708 of the *Corporations Act 2001* (Cth) (**Capital Raising**). Refer to Company announcements dated 29 July 2019, 5 August 2019 and 18 September 2019 for further details on the Capital Raising.

(e) **Board and Management**

Upon Settlement, the Company was required to appoint one representative of Horizon, Jonathan Price, to the Board in the capacity of non-executive Director. Refer to the Company's ASX announcements dated 9 July 2019 and 18 September 2019 for full details of the Board appointment.

(f) **Ore Processing**

Subject to any pre-existing processing rights over the tenements comprising the Projects, the Company will grant Horizon a first right of refusal to treat or purchase any gold bearing ore derived from the Projects.

1.3 General

The Company is seeking Shareholder approval pursuant to Listing Rule 10.11 to issue up to that number of Shares, that when multiplied by the issue price will equal \$1,625,000, to Horizon (or its nominee) as deferred consideration in accordance with the Acquisition Agreement.

As a result of the Acquisition, Horizon currently has a relevant interest in 13.01% of the voting shares in the Company and has nominated Jonathan Price as a Director of the Company.

Resolution 1 seeks Shareholder approval for the issue of Deferred Consideration Shares to Horizon (or its nominee).

1.4 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 Deferred Consideration Shares to Horizon falls within Listing Rule 10.11.3 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.

Resolution 1 seeks Shareholder approval for the issue of the Deferred Consideration Shares to Horizon under and for the purposes of Listing Rule 10.11.

1.5 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Deferred Consideration Shares to Horizon (or its nominee) within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Deferred Consideration Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Deferred Consideration Shares. In such circumstances, it is likely that the Company would negotiate with Horizon to instead settle the relevant portion of the Deferred Consideration in cash.

1.6 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) the Deferred Consideration Shares will be issued to Horizon (or its nominee), who falls within the category set out in Listing Rule 10.11.3 by virtue of Horizon being an entity who is a substantial (10%+) holder in the Company and who has nominated Jonathan Price as a Director pursuant to a relevant agreement (the Acquisition Agreement) which gives Horizon a right to do so;
- (b) the maximum number of Deferred Consideration Shares to be issued to Horizon (or its nominee) is up to that number of Shares which, when multiplied by the issue price, equals \$1,625,000. The Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Deferred Consideration Shares 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 Shares will be issued on the same date;
- (d) the deemed issue price of the Deferred Consideration Shares will be the lower of \$0.15 and the volume-weighted average market price for Shares, calculated over the last 30 trading days before the day on which the issue is made. The Company will not receive any other consideration for the issue of the Deferred Consideration Shares;
- (e) the purpose of the issue of the Deferred Consideration Shares to Horizon is to satisfy the Company's obligations under the Acquisition Agreement;
- (f) although Jonathan Price is a nominee of Horizon, the issue of the Shares to Horizon is not intended to remunerate or incentivise Jonathan Price;
- (g) the Deferred Consideration Shares are being issued under the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Section 2.1; and
- (h) a voting exclusion statements is included in Resolution 1 of the Notice.

1.7 Dilution

Set out below is a worked example of the number of Deferred Consideration Shares that may be issued under Resolution 1 based on assumed issue prices of \$0.15, \$0.14 and \$0.125 per Deferred Consideration Share, being the maximum issue price, a 22% decrease to the closing price of Shares on 11 January 2021 (**Closing Price**) and a 31% decrease to the Closing Price (representing the maximum number of Shares that may be issued to Horizon under the Acquisition Agreement as at the date of this Notice, in compliance with section 606 of the Corporations Act).

Assumed issue price (\$)	Maximum number of Deferred Consideration Shares which may be issued ¹	Current Shares on issue as at the date of this Notice ²	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 1 ³	Dilution effect on existing Shareholders
0.15	10,833,333	153,693,858	164,527,191	6.6%
0.14	11,607,143	153,693,858	165,301,001	7.0%
0.125	13,000,000	153,693,858	166,693,858	7.8%

Notes:

1. Rounded to the nearest whole number.
2. There are currently 153,693,858 Shares on issue as at the date of this Notice and this table assumes no Options are exercised, no convertible securities converted or additional Shares issued, other than the maximum number of Shares which may be issued pursuant to Resolution 1 (based on the assumed issue prices set out in the table).
3. The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

GLOSSARY

\$ means Australian dollars.

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.

Company means Kingwest Resources Limited (ACN 624 972 185).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

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.

Proxy Form means the proxy form accompanying the Notice.

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.

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.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Monday, 1 March 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login> or scan the QR code below using your smartphone

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



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