



# CANTERBURY RESOURCES

Canterbury Resources Limited ACN 152 189 369

Suite 301, 55 Miller Street, Pyrmont NSW 2009

[www.canterburyresources.com.au](http://www.canterburyresources.com.au)

## NOTICE OF 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ninth Annual General Meeting (**AGM** or **Meeting**) of the members of Canterbury Resources Limited (the **Company** or **Canterbury**) will be held on Friday 26 November 2021 commencing at 10.30AM (Sydney time) for the purpose of transacting the business set out in this Notice.

Due to COVID-19 restrictions on public gatherings and the Treasury Laws Amendment (2021 Measures No.1) Act 2021 amending Chapter 2G of the Act, the Meeting will be held virtually and there will not be a physical meeting where shareholders can attend.

**The Directors strongly encourage all shareholders to lodge online a directed proxy form and appoint the Chair as proxy as follows:**

- to use the online lodgement facility, shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form or on a Shareholding Statement).
- login to the Automic website as follows:
  - go to <https://investor.automic.com.au/#/loginsah> or
  - <https://investor.automic.com.au/#/home>
  - use the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'.

**Proxies must be lodged by no later than Wednesday 24 November 2021 at 10.30AM.**

Shareholders will be able to participate in the AGM by:

- (a) registering their attendance by entering the following URL in your browser: [https://us06web.zoom.us/webinar/register/WN\\_b03HXWF8RAatgBoyf6JA8A](https://us06web.zoom.us/webinar/register/WN_b03HXWF8RAatgBoyf6JA8A)
- (b) The meeting ID for the Meeting is: 884 8469 3299 and your registration details are your first name, your surname and your email address.
- (c) lodging questions in advance of the meeting by emailing the questions to the Company at [info@canterburyresources.com.au](mailto:info@canterburyresources.com.au) by no later than 10.30AM on 24 November 2021.

For any enquiries relating to virtual participation, please contact the Company Secretary at +61 2 9392 8020 or [info@canterburyresources.com.au](mailto:info@canterburyresources.com.au)

Shareholders will be able to log in to the online platform from 10.15AM (Sydney time) on the date of the Meeting. Further information on how to participate virtually is set out in this Notice. You will get a confirmation email upon registration, providing the various details of the meeting.

If it becomes necessary to make further alternative arrangements for holding the Meeting, the Company will ensure that shareholders are given as much notice as possible. Further information will be made available on the Company's website at [www.canterburyresources.com.au](http://www.canterburyresources.com.au) or the ASX website.

## **ORDINARY BUSINESS**

### **Item 1: Financial Statements and Reports**

To receive the financial statements and associated reports of the Company and its controlled entities, which include the Annual Financial Report, the Directors' Report and the Auditor's Report, for the year ended 30 June 2021.

*Note: this item of business is for discussion only and is not a resolution as there is no requirement for shareholders to approve the Annual Financial Report, the Directors' Report and the Auditor's Report.*

### **Item 2: Election of Directors**

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

"To elect Mr Michael Erceg, who retires as a Director by rotation pursuant to clause 12.11 of the Company's Constitution, and being eligible, offers himself for re-election as an Executive Director of the Company."

### **Item 3: Remuneration Report**

To adopt the remuneration report for the year ended 30 June 2021.

*Note: This resolution is advisory only and does not bind the Company or the Directors.*

## **SPECIAL BUSINESS**

### **Item 4: Approval of Grant of Options to Directors**

#### **Item 4(a): Approval of Grant of Options to Managing Director Grant Craighead**

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

"To approve, under and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the grant of 300,000 options (and the resulting issue of shares in the Company) to Mr Grant Craighead under the Canterbury Employee Share Option Plan, pursuant to its terms and as described in the Explanatory Notes."

#### **Item 4(b): Approval of Grant of Options to Chairman John Anderson**

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

"To approve, under and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the grant of 300,000 options (and the resulting issue of shares in the Company) to Mr John Anderson under the Canterbury Employee Share Option Plan, pursuant to its terms and as described in the Explanatory Notes."

#### **Item 4(c): Approval of Grant of Options to Director Ross Moller**

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

"To approve, under and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the grant of 300,000 options (and the resulting issue of shares in the Company) to Mr Ross Moller under the

Canterbury Employee Share Option Plan, pursuant to its terms and as described in the Explanatory Notes."

**Item 4(d): Approval of Grant of Options to Director Michael Erceg**

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

"To approve, under and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the grant of 300,000 options (and the resulting issue of shares in the Company) to Mr Michael Erceg under the Canterbury Employee Share Option Plan, pursuant to its terms and as described in the Explanatory Notes."

**Item 4(e): Approval of Grant of Options to Director Robyn Watts**

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

"To approve, under and for the purpose of ASX Listing Rule 10.14 and for all other purposes, the grant of 300,000 options (and the resulting issue of shares in the Company) to Ms Robyn Watts under the Canterbury Employee Share Option Plan, pursuant to its terms and as described in the Explanatory Notes."

**Item 5: Ratification of issue of securities to African Energy Resources Limited**

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

"To ratify, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, the issue to African Energy Resources Limited of:

- (a) 8,333,333 fully paid ordinary shares; and
- (b) 3,000,000 options with an exercise price of \$0.24 and an expiry date of 31 December 2023, and their resulting shares,

on the terms and conditions set out in the explanatory statement attached hereto."

**Item 6: Approval of additional 10% placement capacity**

To consider and, if thought fit, to pass the following special resolution:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, approval is given by the shareholders to allow the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the explanatory statement attached hereto."

*Note: this resolution is a special resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by members who are entitled to vote on the resolution, vote in favour.*

BY ORDER OF THE BOARD



Veronique Morgan-Smith  
Company Secretary

26 October 2021

## KEY DATES

Eligibility to attend and vote:	You are eligible to attend and vote at the meeting if you are registered as a shareholder of Canterbury at 10.30am (AEDT) on 24 November 2021.
Last date to submit Proxy Forms:	Your completed Proxy Form must be received by Canterbury (via Automic) no later than 10.30am (AEDT) on 24 November 2021 in order to be effective.
Questions	If you wish to submit questions to the Board, they need to be sent to <a href="mailto:info@canterburyresources.com.au">info@canterburyresources.com.au</a> and received by 10.30am (AEDT) on 24 November 2021. There will be a time for Q&A at the end of the meeting.

## VOTING

In accordance with clause 11.9(b) of the Constitution as demanded by the Chair, and in accordance with the rules applicable to general meetings using virtual meeting technology pursuant to section 250J of the Corporations Act 2001 (Cth) as amended by Treasury Laws Amendment (2021 Measures No. 1) Act 2021, each of the resolutions proposed at the meeting will be decided on a poll.

On a poll, shareholders have one vote for every fully paid Share held.

### Voting by proxy

A shareholder entitled to vote at the AGM may appoint a proxy to attend and vote at the AGM on their behalf.

A proxy does not need to be a shareholder of the Company.

If a shareholder is entitled to cast two or more votes at the AGM, the shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the shareholder's votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes on a poll. Fractions will be disregarded.

### **To appoint a proxy online (preferred voting option):**

- **to use the online lodgement facility, shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form or on a Shareholding Statement).**
- **login to the Automic website as follows:**
  - go to <https://investor.automic.com.au/#/loginsah> or
  - <https://investor.automic.com.au/#/home>
  - **use the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'.**

Alternative ways to appoint a proxy: you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to by:

(a) Email the pdf to [meetings@automic.com.au](mailto:meetings@automic.com.au); or

(b) Fax to Automic at (+61 2) 8583 3040;

Due to COVID-19, shareholders are encouraged to submit their proxies online. If you wish to post a proxy form, please be aware of current postal timeframes, including the possibility of delays due to COVID-19 regulations and reduced frequency of deliveries. The postal address is: Automic at GPO BOX 5193, Sydney, NSW 2001 Australia

Deliveries in person are not accepted at Automic or Canterbury.

**The deadline for receipt of proxy appointments is 10.30am (AEDT) on 24 November 2021.**

Proxy appointments received later than this time will be invalid.

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

### **Voting in person**

This year, as a precaution against the COVID-19 pandemic, there will be no attendance in person to the AGM. Shareholders are therefore encouraged to vote by proxy online as this is the most practical means to vote.

However, where a shareholder has not lodged a proxy and still wishes to vote during the Meeting, that shareholder may send an email to [info@canterburyresources.com.au](mailto:info@canterburyresources.com.au) before the end of the Meeting containing the shareholder's SRN/HIN and, against the number of each resolution, the proposed vote. An email received after the end of the Meeting or failing to contain the SRN/HIN or clear voting indications will not be considered valid for voting purposes.

## **QUESTIONS FROM SHAREHOLDERS**

Shareholders may direct questions during the meeting to the Chairman about the operations and management of Canterbury, or to Canterbury's auditor about the content of the auditor's report and the conduct of the audit.

Shareholders are encouraged to submit questions to the Board by sending an email to [info@canterburyresources.com.au](mailto:info@canterburyresources.com.au) at least 48hours before the meeting.

A reasonable opportunity will be given to shareholders to ask questions at the end of the Meeting.

## EXPLANATORY NOTES

These explanatory notes set out information in connection with the business to be considered at the 2021 Annual General Meeting of Canterbury Resources Limited.

### ORDINARY BUSINESS

#### **Item 1: Financial Statements and Reports**

The Corporations Act 2001 requires the Annual Financial Report, Directors' Report and Auditor's Report (**Annual Reports**) to be laid before the Annual General Meeting.

The Annual Reports 2021 have been sent to the shareholders by email and are disclosed on the Company's website at [www.canterburyresources.com.au](http://www.canterburyresources.com.au) and [ASX website](#). If you need a paper copy, please contact the Company directly.

There is no requirement for shareholders to approve the Annual Reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the operations and management of Canterbury. Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the auditor's report.

#### **Resolution 2: Remuneration Report**

The remuneration report of the Company for the financial year ended 30 June 2021 (**FY21**) is set out in the Company's 2021 Annual Report. The report outlines the Company's executive remuneration framework and the FY21 remuneration outcomes for the Board and the Managing Director.

The Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting before calling for a vote.

The resolution is advisory only and is not binding on the Company or the Board. The Board will consider and take into account the outcome of the vote and feedback from shareholders on the remuneration report when reviewing the Company's remuneration policies.

If twenty five per cent (25%) or more of votes cast are voted against the adoption of the remuneration report in two consecutive annual general meetings and a resolution was not put to the vote at the earlier annual general meeting under an earlier application of section 250V of the Corporations Act 2001 (Cth), a company will be required to put to its shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of all directors of the Company other than the Managing Director (**Spill Resolution**). If fifty percent (50%) of votes are cast in favour of the Spill Resolution, the company must convene the extraordinary general meeting within ninety (90) days of the second annual meeting.

It is noted that at the Company's last Annual General Meeting, there were no votes cast against the remuneration report and accordingly, a Spill Resolution will not arise at this Annual General Meeting.

#### **Board recommendation:**

*The non-executive directors recommend that you vote in favour of this item.*

#### **Voting Exclusion Statement:**

*In accordance with sections 250R(4) and 250BD(1) of the Corporations Act 2001 (Cth), a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this resolution by, or on behalf of, Mr Craighead and Mr Erceg being the Key Management Personnel (KMP) details of whose remuneration are included in the remuneration report, or an associate of such KMP (KMP voter), unless the KMP voter is casting a vote on this resolution on behalf of a person who is not a KMP voter (including as a proxy) and either:*

- (a) the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the KMP voter is the chairman of the meeting and the appointment of the chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of KMP.

*If any vote cast other than as permitted above will be disregarded by the Company.*

*The Chairman of the meeting intends to vote available proxies, including any undirected proxies, in favour of this resolution.*

### **Resolution 3: Election of Directors**

**Mr Michael Erceg** retires as a Director by rotation pursuant to clause 12.11 of the Company's Constitution, and being eligible, offers himself for re-election as a Director of the Company.

Michael Erceg is a geologist with over 35 years' experience in mineral exploration, mine development and operations in New Zealand, Australia, Papua New Guinea, Vanuatu, Philippines and China. He is a specialist in southwest Pacific porphyry copper-gold and epithermal gold-silver systems, and has a strong understanding of their geological, geochemical, geophysical and alteration footprints. He has extensive experience in managing remote area reconnaissance and advanced exploration programs, including an ability to readily adapt to culturally diverse environments and work effectively with local professional staff. During his career he has made significant direct contribution to the discovery and/or delineation of the Red Dome (Queensland), Northwest Mungana (Queensland), Wafi-Golpu (PNG), Ok Tedi (PNG), New Holland underground (Western Australia) and Murrawombie/Larsens/Northeast (New South Wales) ore bodies. Mr Erceg is currently Manager Exploration for Canterbury and has been an important contributor in establishing the Company's exploration portfolio.

Mr Erceg was originally appointed as an Executive Director of the Company in 2019. Under the Company's constitution, Mr Erceg retires by rotation, and being eligible, wishes to stand for re-election.

#### **Board Recommendation:**

*The non-candidate Directors unanimously support the re-election of Mr Erceg.*

#### **Voting:**

*The Chairman of the meeting intends to vote available proxies in favour of this resolution.*

## **SPECIAL BUSINESS**

### **Resolution 4: Grant of Options to Directors**

Canterbury is proposing to issue a number of options under the Canterbury Employee Share Option Plan to Directors (**New Options**).

The Canterbury Employee Share Option Plan was adopted by the Board of Canterbury on 1 March 2013 in order to grant options to subscribe for shares in Canterbury to its eligible staff, Directors and eligible consultants (all together defined as 'Eligible Employees'). The intention of the Plan is to align as closely as possible the longer term interests of all Eligible Employees with those of Canterbury's shareholders, by encouraging all Eligible Employees to add value to Canterbury over time through their demonstrated loyalty and hard work.

Canterbury's policy is to grant options on an annual basis in recognition of his or her completed contribution to the Company's progress over the previous financial year. In keeping with statutory

approved guidelines, Canterbury limits the number of options at any time granted under the Canterbury Employee Share Option Plan to not more than 5% of the issued capital of the Company (presently 120,198,530 shares). A summary of the Canterbury Employee Share Option Plan is provided below in Appendix A.

The Board, on the recommendation of the Remuneration Committee, has resolved to grant Eligible Employees (other than Directors) 500,000 unlisted options with an exercise price of A\$0.20 and an expiry date of 30 June 2024 under the Canterbury Employee Share Option Plan, vesting immediately, in respect to their performance during the financial year ended 30 June 2021.

In addition, it is proposed to grant Directors who held office during the financial year ended 30 June 2021, 1,500,000 unlisted options with an exercise price of A\$0.20 and an expiry date of 30 June 2024 under the Canterbury Employee Share Option Plan, vesting immediately upon approval of the AGM as follows (**New Options**):

Grantee	Position	Number of Options:	Exercise Price	Expiry Date	Maximum number of resulting Shares
Grant Craighead	Managing Director	300,000	\$0.20	30 June 2024	300,000
Michael Erceg	Executive Director	300,000	\$0.20	30 June 2024	300,000
John Anderson	Non-Executive Chairman	300,000	\$0.20	30 June 2024	300,000
Ross Moller	Non-Executive Director	300,000	\$0.20	30 June 2024	300,000
Robyn Watts	Non-Executive Director	300,000	\$0.20	30 June 2024	300,000
<b>TOTAL</b>		<b>1,500,000</b>			<b>1,500,000</b>

The New Options are granted for no consideration (\$0 per New Option) and therefore no funds will be raised by the grant of the New Options. The exercise price of the New Options (A\$0.20 per New Option) will not be, or be based on, the volume weighted average market price or closing market price at the time of the exercise. The total capital raised by the full exercise of the New Options is A\$300,000.

The New Options will be issued immediately upon approval by the Shareholders.

Presently, there are 2,900,000 options current under the Canterbury Employee Share Option Plan, and if the grant of the New Options is approved, there will be 4,400,000 unlisted options on issue, representing 3.66% of Canterbury's issued share capital.

750,000 options (\$0.25 exercise price and expiring on 30/06/2023) were issued to Directors at the AGM of 2020.

The dilution effect from the exercise of the 1,500,000 New Options will be 1.19% of the expanded shares and options on issue (on the basis of 120,198,530 fully paid ordinary shares, 3,000,000 non-ESOP options on issue, and 2,900,000 ESOP options on issue).

At the time of writing, the price of the Company's shares is 10 cents compared with the range of 9 cents to 12 cents during the previous six months.

The Company has obtained an independent report valuing the New Options. Using the Cox Ross Rubenstein (CRR) for option valuation and assuming a valuation grant date of 10 September 2021, when the closing share price was 11 cents, the New Options have an indicative value of approximately 4.015 cents each.



Therefore, the value of the New Options proposed to be granted to Directors, on the basis of the following assumptions, is shown in the table below.

	Total	Grant Craighead	Michael Erceg	John Anderson	Ross Moller	Robyn Watts
Value of Underlying Stock	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Exercise Price	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Volatility (per Year)	88.76%	88.76%	88.76%	88.76%	88.76%	88.76%
Risk free rate	0.019%	0.019%	0.019%	0.019%	0.019%	0.019%
Maturity	30/06/2024	30/06/2024	30/06/2024	30/06/2024	30/06/2024	30/06/2024
Pricing Date	10/09/2021	10/09/2021	10/09/2021	10/09/2021	10/09/2021	10/09/2021
Price of Option	\$0.04105	\$0.04105	\$0.04105	\$0.04105	\$0.04105	\$0.04105
Number of Options Granted	1,500,000	300,000	300,000	300,000	300,000	300,000
Options Value	\$60,225	\$12,045	\$12,045	\$12,045	\$12,045	\$12,045

No loans will be made by the Company in connection with the grant or the exercise of the New Options.

All Directors are eligible to participate in the Canterbury Employee Share Option Plan. No Director will participate in an issue under the Canterbury Employee Share Option Plan unless shareholders in general meeting approve that specific issue. It is proposed that the Options be granted in recognition of and in consideration for the contribution to the Company by Directors during the financial year ended 30 June 2021 and the ongoing responsibility that they assume for the affairs of the Company.

As of today, the Directors held the following securities in the Company, either directly or indirectly:

Director	Shares	Options
Grant Craighead	8,064,349	Options under ESOP expiring 30/06/2022 – 150,000 Options under ESOP expiring 30/06/2023 – 150,000
John Anderson	4,202,000	Options under ESOP expiring 30/06/2022 – 150,000 Options under ESOP expiring 30/06/2023 – 150,000
Ross Moller	2,372,500	Options under ESOP expiring 30/06/2022 – 150,000 Options under ESOP expiring 30/06/2023 – 150,000
Michael Erceg	865,000	Options under ESOP expiring 30/06/2022 – 150,000 Options under ESOP expiring 30/06/2023 – 150,000
Robyn Watts	50,000	Options under ESOP expiring 30/06/2023 – 150,000

And have the following remuneration package (other than the New Options and previously granted options):

Director	Total Remuneration Package
Grant Craighead (Managing Director)	\$300,000 p.a. including superannuation
John Anderson	\$75,000 p.a. including superannuation
Ross Moller	\$65,000 p.a. including superannuation
Michael Erceg (Executive Director)	\$250,000 p.a. including superannuation
Robyn Watts	\$65,000 p.a. including superannuation

As of today, the following options, duly approved under and for the purposes of ASX Listing Rule 10.14 are on issue:

Class of Options	Number	Exercise Price	Expiry Date
ESOP OPTIONS	600,000	\$0.35	30/06/2022
ESOP OPTIONS	750,000	\$0.25	30/06/2023

Details of any securities issued under the Canterbury Employee Share Option Plan will be published in each Annual Report of Canterbury relating to a period in which securities have been issued, together with confirmation that approval for the issue of securities was obtained under 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 shareholders' approval:

10.14.1 a director of the company;

10.14.2 an associate of a director of the company; or

10.14.3 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, unless it obtains the approval of its shareholders/unitholders.

The issue of the New Options falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Canterbury's shareholders under ASX Listing Rule 10.14.

The resolutions under Items 4(a) to 4(e) seek the required shareholder approval to the issue of the New Options under and for the purposes of ASX Listing Rule 10.14.

If each of resolutions under Items 4(a) to 4(e) is passed, Canterbury will be able to proceed with the issue of the New Options, thus ratifying the remuneration structure recommended by the Remuneration Committee and the Directors will accordingly have the right to increase their shareholding in the Company by paying the exercise price upon the exercise of their options.

If a resolution under Items 4(a) to 4(e) is not passed, Canterbury will not be able to proceed with the issue of the New Options and the Remuneration Committee will need to propose a different remuneration structure for the Directors.

The following information is provided pursuant to ASX Listing Rules 10.15 and the Corporations Act.

Details of any options issued under the ESOP will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for those issues was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of options under the Canterbury Employee Share Option Plan after the resolutions under Item 5 are approved and who were not named in this Notice will not participate until approval is obtained under that rule.

For the purpose of Chapter 2E of the Corporations Act 2011 (Cth), the financial benefit constituted by the grant of the New Options would be reasonable given the circumstances of the Company and of the grantees. Accordingly, the Company will not seek approval for the issue of the New Options pursuant to Chapter 2E of the Corporations Act 2001 (Cth).

For the purpose of Chapter 7 of the ASX Listing Rules, it is noted that a summary of the terms of the Canterbury Employee Share Option Plan was set out in the Prospectus for the Initial Public Offering of Shares which resulted in the listing of Canterbury on 7 March 2019. Accordingly, the Company will not seek approval for the issue of the New Options under Chapter 7.

Board recommendation:

*In respect of the resolutions under Items 4(a) to 4(e), the directors make no recommendations to shareholders because of their personal interest in the subject matter of the resolutions.*

Voting exclusion statement:

*In respect of the resolutions under Items 4(a) to 4(e), the Company will disregard any votes cast by the Director Grantee, and by an associate of his/hers, as defined in the following voting exclusion statements. However those voting exclusions do not apply to a vote cast in favour of the resolution by:*

- (a) the Director Grantee who has been appointed as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- (b) the Director Grantee who is the chairman of the meeting and has been appointed as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chairman to vote on the resolution as the chairman decides; or*
- (c) the Director Grantee is 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.*

*The Director Grantee for the purpose of Item 4(a) is:*

- Mr Grant Craighead, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or*
- an associate of person(s) referred to in the preceding paragraph.*

*The Director Grantee for the purpose of Item 4(b) is:*

- Mr John Anderson, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or*
- an associate of person(s) referred to in the preceding paragraph.*

*The Director Grantee for the purpose of Item 4(c) is:*

- Mr Ross Moller, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or*
- an associate of person(s) referred to in the preceding paragraph.*

*The Director Grantee for the purpose of Item 4(d) is:*

- Mr Michael Erceg, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or*
- an associate of person(s) referred to in the preceding paragraph.*

*The Director Grantee for the purpose of Item 4(e) is:*

- Ms Robyn Watts, or any person(s) who will obtain a material benefit as a result of the proposed issues of securities (except a benefit solely by reason of being a holder of ordinary securities in the entity), or*
- an associate of person(s) referred to in the preceding paragraph.*

*The Chairman of the meeting intends to vote available proxies in favour of those resolutions.*

## **Item 5: Approval of issue of ordinary shares to African Energy Resources Limited**

As announced on 18 August 2021, the Company entered into a Binding Terms-Sheet dated 17 August 2021 (**Terms-Sheet**) with African Energy Resources Limited ASX:AFR (**AFR**) for a Subscription in the Company and Earn-in Rights in relation to the Briggs, Mannersley and Fig Tree Hill Project (**Project**).

Under the Terms-Sheet, the Company issued:

- 8,333,333 fully paid ordinary shares at a price of \$0.12 each (**Placement Shares**) for a total investment of ~A\$1 million; and
- 3,000,000 options each to subscribe to one share, with an exercise price of \$0.24 and with an expiry date of 31 December 2023 (**Placement Options**).

For the purpose of this Item 5, the Placement Shares, the Placement Options and resulting shares will be referred to as the **Placement Securities**.

This resulted in AFR holding 6.93% of the issued capital after the transaction. If all options are exercised by AFR, this will result in AFR holding 9.20% of the issued capital<sup>1</sup>. The Placement Securities were issued using the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A.

The subscription by AFR secures an exclusive option (**Option**) to acquire an interest in the Project, provided AFR spends A\$750,000 on exploration expenditure before 31 July 2022.

Subject to meeting the Option expenditure commitment before 31 July 2022, AFR may exercise the Option to enter a staged earn-in to form an unincorporated joint venture and earn up to a 70% interest in the Project. The earn-in comprises three stages, each sole-funded by AFR:

- A\$2.25M in exploration expenditure to earn a 30% interest within 2 years of exercising the Option;
- A further A\$3.0M in expenditure to reach 51% interest within 4 years of exercising the Option; and

A further A\$10.0M in expenditure to reach a 70% interest within 9 years of exercising the Option.

Upon AFR reaching a 70% project interest, the joint venture will become a contributing joint venture funded pro-rata by each party, and subject to industry standard funding and dilution provisions. If AFR completes the stage 1 and 2 earn-in phases but elects not to proceed with the stage 3 earn-in, AFR's aggregate interest in the Project will be reduced from 51% to 49%.

Full details of the commercial terms of the Terms Sheet are provided in Appendix C.

### **Approval pursuant to ASX Listing Rule 7.4**

Broadly speaking, and subject to a number of exceptions,

- ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period (**Placement Capacity**); and
- Under ASX Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Extra Placement Capacity**).

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 20 November 2020.

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<sup>1</sup> On a fully diluted basis on the basis of issued capital at the date of the Terms-Sheet and assuming ESOP options are not exercised.

The issue of the Placement Securities does not fit within any of the exceptions set out in ASX Listing Rule 7.2 and, as it has not yet been approved by Shareholders:

- The issue of the Placement Options was made under the Placement Capacity of the Company; and
- The issue of the Placement Shares was made under the Extra Placement Capacity of the Company,

effectively using up part of the Placement Capacity and part of the Extra Placement Capacity, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rules 7.1 and 7.1A for the 12 month period following the date of issue of the Placement Securities.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and 7.1A and so does not reduce the company's capacity to issue further equity securities without shareholder approval under those rules.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Securities. Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Placement Securities.

#### Technical information required by ASX Listing Rule 14.1A

If Resolution 5 is passed, the Placement Securities will be excluded in calculating the Company's combined 25% limit in ASX Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Securities.

If Resolution 5 is not passed, the Placement Securities will be included in calculating the Company's combined 25% limit in ASX Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Placement Securities.

#### Technical information required by ASX Listing Rule 7.5

The following information is provided in accordance with ASX Listing Rule 7.5, in relation to Resolution 5:

- (a) the Placement Shares were issued to African Energy Resources Limited pursuant to the Terms-Sheet;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that:
  - (i) African Energy Resources Limited was issued the Placement Shares and Placement Options pursuant to the Terms-Sheet, which is summarised above and in Appendix C;
  - (ii) 8,333,333 Placement Shares were issued on 20 August 2021 and are all fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares;
  - (iii) 3,000,000 Placement Options were issued on 20 August 2021 on the terms as summarised in Appendix B; when exercised they will convert into fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares;
  - (iv) the issue price was \$0.12 per Placement Share and the issue price of the Placement Options was nil.
  - (v) the Company has not and will not receive any other consideration for the issue of the Placement Shares; the Company will receive A\$0.24 per Share upon exercise of the Placement Options;

- (vi) the purpose of the issue of the Placement Shares was to raise \$1,000,000, which will be applied towards the Company's ongoing exploration activities and to meet ongoing working capital requirements; and
- (vii) African Energy Resources Limited had no associates holding any Shares in the Company at the date of the Terms-Sheet and at the date of this Notice of Meeting.

Board recommendation:

*The directors recommend that you vote in favour of this item.*

Voting exclusion statement:

*In respect of the resolutions under Item 5, the Company will disregard any votes cast by African Energy Resources Limited, and by any of its associates. However those voting exclusions do not apply to a vote cast in favour of the resolution by:*

- (a) *A person who has been appointed as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- (b) *The chairman of the meeting who has been appointed as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chairman to vote on the resolution as the chairman 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.*

*The Chairman of the meeting intends to vote available proxies in favour of those resolution.*

## **Item 6: Approval of additional 10% placement capacity**

Under Item 6, the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing 7.1A (**10% Placement**).

Item 6 must be approved by a special resolution requiring approval of 75% of the votes cast by shareholders present and eligible to vote. The only securities that the 10% Placement can cover are ordinary fully paid shares (**Shares**).

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

Under ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. Canterbury is an eligible entity for these purposes.

The resolution under Item 6 seeks shareholder approval by way of special resolution for Canterbury to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue equity securities without shareholder approval.

If the resolution under Item 6 is passed, Canterbury will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If the resolution under Item 6 is not passed, Canterbury will not be able to access the additional 10% capacity to issue equity securities to issue equity securities without shareholder provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

### Formula for calculating 10% Placement Capacity

The maximum number of equity securities that may be issued by Canterbury under the 10% Placement is calculated in accordance with the following formula in ASX Listing Rule 7.1A.2:

<b>(A x D) – E</b>	
<b>A</b>	has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity;
<b>D</b>	10%
<b>E</b>	is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### Placement capacity under ASX Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under ASX Listing Rule 7.1.

Over the last 12 months, the Company has carried out the following private placements:

- August 2021: Issue of 8,333,333 fully paid ordinary shares and 3,000,000 options each to subscribe to one share, with an exercise price of \$0.24 and with an expiry date of 31 December 2023 (see the details under Item 5 above).

As at the date of this Notice:

- the Company has 120,198,530 fully paid ordinary shares on issue.
- in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, Canterbury has the capacity to issue:
  - 13,779,780 Shares under ASX Listing Rule 7.1; and
  - 2,853,186 Shares under ASX Listing Rule 7.1A (until 20 November 2021).

Subject to Shareholder approval under Item 5 and 6, in addition to any other Shares which it can issue under the permitted exceptions to ASX Listing Rules 7.1 and 7.1A, Canterbury will have the capacity to issue:

- 16,779,780 Shares under ASX Listing Rule 7.1; and
- 11,186,519 Shares under ASX Listing Rule 7.1A for 12 months after this Meeting.

The actual number of Shares that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the aforementioned formula.

### Minimum issue price

In accordance with ASX Listing Rule 7.1A, shares issued by the Company under a 10% Placement can only be issued at a cash price that is not less than 75% of the VWAP (volume weighted average price) of the shares calculated over the 15 trading days on which trades in its shares were recorded immediately before:

- the date on which the issue price of the shares is agreed; or
- the issue date (if the shares are not issued within ten trading days of the date on which the issue price is agreed).

## Placement period

Shareholder approval under ASX Listing Rule 7.1A is valid from the date of this AGM and expires on the first to occur of the following:

- The date that is 12 months after the date of this AGM;
- The time and date of our Company's next AGM;
- The time and date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

Shareholder approval under ASX Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the AGM.

## Dilution to existing shareholdings

If the resolution under Item 6 is approved by shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing shareholders as a result. Further, as the market price of the Company's shares may be significantly lower on the issue date than on the date of Annual General Meeting approval, and because the shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would if it were based on current market prices.

As required by ASX Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) is the number of Shares at the date of this Notice, or is that number increased by either 50% or 100%, and the share price is the market price at the date of this Notice, or is that price decreased or increased by 50%.

Number of Shares on Issue	Issue price (per Share)	50% decrease on current market price	Current market price	50% increase on current market price
		\$0.05	\$0.10	\$0.15
<b>Current = 120,198,530</b>	10% voting dilution	12,019,853	12,019,853	12,019,853
	Funds raised	\$600,992.65	\$1,201,985.30	\$1,802,977.95
<b>50% increase = 180,297,795</b>	10% voting dilution	18,029,780	18,029,780	18,029,780
	Funds raised	\$901,488.98	\$1,802,977.95	\$2,704,466.93
<b>100% increase = 240,397,060</b>	10% voting dilution	24,039,706	24,039,706	24,039,706
	Funds raised	\$1,201,985.30	\$2,403,970.60	\$3,605,955.90

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- the Company issues the maximum number of shares available under the 10% Placement;
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of shares which is an exception in ASX Listing Rule 7.2 (for example a pro-rata rights issue, or the exercise of options). However, a 15% placement under ASX Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under ASX Listing Rule 7.1A;
- the table shows only the effect of issues of shares under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
- the table does not show the dilution that may be caused to any particular shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the AGM. For instance, shareholders will have different outcomes depending on



whether or not they participate in a pro-rata issue or exercise their options, which has the effect of increasing variable "A".

### **Purpose of the 10% Placement**

The Company may seek to issue shares under the 10% Placement for a cash issue price. In this case, the Company may use the funds for working capital or to provide the flexibility to raise additional funds to accelerate assessment of key projects if warranted, and assess and progress potential new opportunities.

### **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- the effect of the issue of the shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice and may include existing substantial shareholders and/or new shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

### **Previous approval**

The Company has previously requested shareholder approval under ASX Listing Rule 7.1A at the AGM held in November 2020 and has issued 8,333,333 shares under ASX Listing Rule 7.1A in August 2021.

### Board Recommendation

*The Directors believe that the resolution under Item 6 will provide the Company with flexibility to raise capital quickly, and is in the best interests of the Company. The Directors recommend that shareholders vote in favour of this resolution.*

### Voting:

*The Chairman of the meeting intends to vote available proxies in favour of this resolution.*

### Voting exclusion Statement

*At the date of this Notice of Annual General Meeting, the Company is not intending to make an issue of equity securities under ASX Listing Rule 7.1A and has not approached any particular existing shareholder or an identifiable class of existing shareholders to participate in any issues of shares. No existing shareholder's vote will therefore be excluded at this time.*

## **Appendix A - Terms of Options issued under the Employee Share Option Plan**

The shareholders approved the Canterbury Employee Share Option Plan ("ESOP" or "Plan") on 1 March 2013.

The purpose of this ESOP is to provide incentives to senior staff to achieve the Company's long term objectives and improve the long term performance of the Company. The Plan is a key part of the longer term retention and incentive strategy of the Company. The Plan recognises that the growth and profitability of the Company is heavily dependant on the retention of key senior staff.

The ESOP is administered by the Board in accordance with the ESOP rules. The Board has full discretion, subject to the terms of the ESOP, the Constitution, the Corporations Act and the ASX Listing Rules.

The options granted under the ESOP ("Employee Options") are issued for nil consideration, unless the Board resolves otherwise. The Employee Options are non-transferable. There is no obligation on the Company to apply for quotation of the Employee Options on the ASX. Optionholders have no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company until that Employee Option is exercised. Shares allotted upon exercise of the Employee Options will rank equally with Shares previously issued by the Company and will be listed in accordance with ASX Listing Rules. The Board sets in its absolute discretion the exercise price of the Employee Options, their number and the period during which the Employee Option can be exercised. The number of Employee Options that can be issued by the Board under the ESOP at any time is limited on the basis that the total number of Shares which might be issued pursuant to the exercise of Employee Options both unexercised and unexpired, and the total number of Shares issued as a result of the exercise of Employee Options during the previous 5 years cannot exceed 10% of the total number of Shares on issue (while the Company is unlisted). In accordance with ASIC RG49, the Company will limit the grants of Employee Options under the ESOP to 5% of the total number of Shares on issue.

Beneficiaries of the ESOP are employees and deemed employees. Eligible employees are full time or part-time employees or directors of the Company. Deemed employees are casual employees who have worked for the Company or a subsidiary for more than one year and consultants who have worked for the Company or a subsidiary for more than one year and have derived more than 80% of their income from the Company or a subsidiary.

Employee Options lapse and are forfeited:

- 30 days after resignation by the employee; or
- Immediately upon dismissal for wilful misconduct, repeated disobedience, incompetence, fraud or dishonesty, or any other fair and reasonable cause.

Employee Options will be adjusted in accordance with any pro-rata issues, bonus issues or reconstruction event.

The Plan may be terminated at any time or suspended for any period by resolution of the Board and notification thereof to the ASX. Termination or suspension of the Plan does not affect the rights of the Holders of unexpired Employee Options previously granted under the Plan and these Rules will continue to apply to those options until the Employee Options lapse or are exercised.

## **Appendix B - Terms of Options issued to African Energy Resources Limited**

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### **1. ENTITLEMENT**

Each option (**CBY Option**) will entitle the holder to subscribe for one Share in CBY. All CBY Shares issued upon the exercise of the CBY Options will rank equally in all respects with CBY's then existing CBY Shares.

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### **2. EXERCISE PRICE**

Each CBY Option shall entitle the holder of that option (**Optionholder**) to acquire one fully paid ordinary share upon payment of the sum of \$0.24 per Option (**Exercise Price**) to CBY.

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### **3. NOTICE OF EXERCISE**

The CBY Options may be exercised at any time prior to 31 December 2023 (**Expiry Date**) in whole or in part, by completing and delivering a duly completed form of notice of exercise to the registered office of CBY together with the payment of the Exercise Price in immediately available funds for the number of Shares in respect of which the CBY Options are exercised. A CBY Option not exercised on or before the Expiry Date will lapse.

Shares allotted and issued pursuant to the exercise of the CBY Options will be allotted and issued, and a holding statement provided to the holders of CBY Options in respect of those Shares, on the above terms and conditions not more than 15 Business Days after the receipt of a duly completed form of notice of exercise and the Exercise Price in immediately available funds in respect of the CBY Options exercised.

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### **4. QUOTATION OF CBY OPTIONS AND CBY SHARES ON EXERCISE**

Application will not be made to ASX for official quotation of the CBY Options. Application will be made for official quotation of the CBY Shares issued upon exercise of CBY Options not later than 10 Business Days after the date of allotment.

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### **5. TRANSFER OF OPTIONS**

The CBY Options are not transferable without CBY's consent, other than to a Related Body Corporate of AFR.

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### **6. PARTICIPATION RIGHTS OR ENTITLEMENTS**

There are no participating rights or entitlements inherent in the CBY Options and Optionholders will not be entitled to participate in new issues of securities offered to shareholders during the currency of the CBY Options. However, CBY must give notice to the holders of CBY Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules so as to give Optionholders the opportunity to exercise their CBY Options before the date for determining entitlements to participate in any issue.

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### **7. REORGANISATION OF SHARE CAPITAL**

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of CBY, all rights of the Optionholder shall be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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### **8. BONUS ISSUES**

If, from time to time, before the expiry of the CBY Options, CBY makes a pro rata issue of CBY Shares to its shareholders for no consideration, the number of CBY Shares over which a CBY Option is

exercisable will be increased by the number of CBY Shares which the Optionholder would have received if the CBY Option had been exercised before the date for calculating entitlements to the pro rata issue.

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## 9. PRO RATA ISSUES

If CBY makes a pro rata issue of securities (except a bonus issue) to its shareholders (other than an issue in lieu or in satisfaction of dividends or by way of a dividend reinvestment) the exercise price of a CBY Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

Where:	<b>O'</b>	The new exercise price of a CBY Option.
	<b>O</b>	The old exercise price of a CBY Option.
	<b>E</b>	The number of underlying securities into which one CBY Option is exercisable.
	<b>P</b>	The average market price per security (weighed by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
	<b>S</b>	The subscription price for a security under the pro-rata issue.
	<b>D</b>	The dividend due but not yet paid under the existing underlying securities (except those to be issued under the pro rata issue).
	<b>N</b>	The number of securities with rights or entitlements that must be held to receive a right to one new security.

**Appendix C - Key Commercial Terms of the transaction with African Energy Resources Limited pursuant to the Terms-Sheet dated 17 August 2021**

All dollar amounts refer to Australian Dollars.

<p><b>Share Subscription</b></p>	<p>African Energy Resources Ltd (“<b>AFR</b>”) was issued 8,333,333 new ordinary shares in Canterbury Resources Limited (“<b>CBY</b>”) at a price of \$0.12 per share for a total investment of \$999,999.96.</p> <p>The Share Subscription secures an exclusive Option for AFR over the Briggs, Mannersley and Fig Tree Hill EPMs (the “<b>Project</b>”) until 31 July 2022.</p>
<p><b>CBY Options</b></p>	<p>CBY has issued AFR 3,000,000 options, each convertible into one ordinary share in CBY, exercisable at \$0.24 per CBY Option prior to 31 December 2023.</p>
<p><b>Option</b></p>	<p>Upon completion of the Share Subscription, AFR was granted an exclusive option to enter into an unincorporated joint venture agreement with CBY for the exploration and development of the Project, and to acquire up to a 70% legal and beneficial interest in the Project (“<b>Option</b>”).</p> <p>Exercise of the Option is conditional on AFR spending at least \$750,000 on exploration on the Project, which will include a detailed soil sampling program and ~3,000m of RC drilling on the tenements (“<b>Option Expenditure Commitment</b>”) on or before 31 July 2022 unless extended (up to a maximum of 6 months) due to a force majeure event (“<b>Option Expiry Date</b>”).</p>
<p><b>Earn-In Terms and Conditions</b></p>	<p>If AFR exercises the Option (“<b>Option Exercise Date</b>”), AFR’s earn-in rights will be as follows:</p> <ul style="list-style-type: none"> <li>• <b>Stage 1 Earn-In:</b> Expenditure of at least \$2,250,000 on exploration activities on the Project within 2 years from the Option Exercise Date to earn a 30% interest in the Project. AFR will have absolute discretion on the manner and on what tenements the expenditure is incurred, which may include additional drilling, enabling surveys, preliminary metallurgical studies, and a resource update.</li> <li>• <b>Stage 2 Earn-In:</b> Expenditure of a further \$3,000,000 on exploration activities on the Project within 4 years from the Option Exercise Date to earn a further 21% interest in the Project (resulting in a 51% interest in aggregate). AFR will have absolute discretion on the manner and on what tenements the expenditure is incurred, which may include additional drilling, a resource update, and a scoping study.</li> <li>• <b>Stage 3 Earn-In:</b> Expenditure of a further \$10,000,000 on exploration activities on the Project within 9 years from the Option Exercise Date to earn a further 19% interest in the Project (resulting in a 70% interest in aggregate). AFR will have absolute discretion on the manner and on what tenements the expenditure is incurred, which may include a prefeasibility study.</li> </ul> <p>Should AFR complete the Stage 2 Earn-In, but not elect to proceed with the Stage 3 Earn-In, AFR’s interest in the Project will reduce to 49%.</p>
<p><b>Farm-In and Joint Venture Agreement</b></p>	<p>As soon as practicable after the exercise of the Option, the parties will use all reasonable endeavours to negotiate in good faith a formal farm-in and joint venture agreement for the purposes of establishing an unincorporated joint venture (“<b>Joint Venture</b>”) with respect to the Project upon completion of the Stage 1 Earn-In, pursuant to which:</p>

	<ul style="list-style-type: none"> <li>• The parties will establish a management committee, chaired by a representative of the largest participant.</li> <li>• AFR will be appointed as the manager of the Joint Venture and will remain the manager through the Earn-In period.</li> <li>• The Earn-in periods may be extended due to force majeure, provided that if such extension exceeds 12 months, or some other period agreed in writing between the parties, the parties agree to meet to discuss modifications to the Terms Sheet or the Farm-In and Joint Venture Agreement to consider a revised timetable.</li> <li>• The detailed structure and other terms related to the management, governance and administration will be consistent with industry practice for exploration, development and operating farm-ins and joint ventures.</li> <li>• At the end of the Earn-In period, the largest participant will be appointed as the manager and each participant Venturer will have an obligation to contribute to the expenditure of the Joint Venture on a pro rata basis or be subject to dilution provisions that are consistent with industry practice for exploration, development and operating farm-ins and joint ventures;</li> <li>• Each party will have a first right of refusal in respect of any proposed assignment or other disposal of the other party's participating interest. Each party's first right of refusal will be limited to a right to acquire the other party's participating interest on the same terms and conditions of any bona fide third-party offer received by the other party.</li> </ul>
<p><b>Ongoing Rio Tinto Exploration Rights</b></p>	<p>Rio Tinto Exploration Ltd (“<b>RTX</b>”), a previous owner of the Briggs EPM and the Mannersley EPM, will retain a 1.5% NSR over those tenements, and the right to a one-off cash payment of \$0.50 per tonne of copper equivalent metal in declared mining reserves, should a decision to mine be made over any deposit in either of those two tenements. The 1.5% NSR can be reduced to a 1% NSR by making a cash payment to RTX, equal to the fair market value of the 0.5% NSR at the time of a decision to mine.</p> <p>RTX will also retain certain rights under Sale and Purchase Agreement entered into with CBY and Canterbury Exploration dated 9 February 2017 (“<b>SPA</b>”) in connection with the Briggs EPM and Mannersley EPM, and AFR will be required to enter into a deed of assumption in relation to the SPA upon completion of the Stage 1 Earn-in.</p>

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[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

Your proxy voting instruction must be received by **10.30am (Sydney time) on Wednesday, 24<sup>th</sup> November 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.**



##### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

##### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

##### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

##### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

##### PHONE:

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

