

17 July 2020**ASX: AYR**

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Notice of General Meeting

Alloy Resources Limited ("Alloy" or "the Company"), advises that the Notice of General Meeting to be held on Monday 17 August was despatched to shareholders today.

This announcement was approved for release by the Board of Alloy Resources Limited

Kevin Hart
Company Secretary

For more information contact:

Andy Viner
Executive Chairman

Phone: +61 8 9316 9100
www.alloyres.com



ALLOY RESOURCES LIMITED
ACN 109 361 195
NOTICE OF GENERAL MEETING

TIME: 10:00am (WST)

DATE: Monday, 17 August 2020

PLACE: Suite 8
7 The Esplanade
MT PLEASANT WA 6153

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 10:00am (WST) on 15 August 2020.

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AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

Either Resolution 1 or Resolution 2 may be withdrawn during this Meeting. If no Initial Shares and Initial Options have been issued prior to this Meeting, then Resolution 1 will be withdrawn.

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Initial Shares and 15,000,000 Initial Options 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 a person who participated in the issue 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.

2. RESOLUTION 2 – APPROVAL TO ISSUE INITIAL SHARES AND INITIAL OPTIONS

Either Resolution 1 or Resolution 2 may be withdrawn during this Meeting. If Initial Shares and Initial Options have been issued prior to this Meeting, then Resolution 2 will be withdrawn.

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 15,000,000 Initial Shares and 15,000,000 Initial Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Diversified Asset Holdings Pty Ltd shareholders (or their respective nominees), or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any associates of that person or those persons.

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

- (a) a person as 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 chair of the meeting 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 communication 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.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO RELATED PARTY – MR ANDREW VINER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 20,000,000 Options to Mr Andrew Viner (or his 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 Mr Viner (or his 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 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 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 Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 3 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 3 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (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 this Resolution. Provided the Chair is not a Resolution 3 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO RELATED PARTY – MR KEVIN HART

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Options to Mr Kevin Hart (or his 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 Mr Hart (or his 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 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 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 Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 4 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (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 this Resolution. Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MR GARY POWELL

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Mr Gary Powell (or his 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 Mr Powell (or his 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 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 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 Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 5 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (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 this Resolution. Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MR PAUL SKINNER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Mr Paul Skinner (or his 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 Mr Skinner (or his 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 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 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 Prohibition Statement:

In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (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 this Resolution. Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – CHANGE OF COMPANY NAME

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

"That for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Strickland Metals Limited."

Dated: 15 July 2020

By order of the Board

Kevin Hart
Company Secretary

Voting in person

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

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9316 9100.

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. BACKGROUND

1.1 General

As announced on 22 June 2020, the Company, through its wholly owned subsidiary Doolgunna Minerals Pty Ltd (ACN 641 851 185) (**Doolgunna**), has entered into a binding heads of agreement (**Acquisition Agreement**) with Diversified Asset Holdings Pty Ltd (ACN 169 563 795) (**DAH**) for an option to acquire 80% of the Doolgunna project (**Doolgunna Project**) (**Acquisition**).

The Doolgunna Project comprises one early stage Exploration Licence (E52/3495), covering 46 square kilometres, with potential for a volcanic massive sulphide mineral deposit similar to the DeGrussa copper-gold deposit controlled by Sandfire Resources Limited. The Project is located approximately 125 kilometres north of Meekatharra in the Gascoyne district of Western Australia, accessible from the Great Northern Highway, and in the same geological province as the Company's recently acquired Bryah Basin Project.

The Company has reviewed Information provided by DAH and interrogated information reported by previous explorers of the project, and formed the view that the geological, geochemical and geophysical data supports exploration for discovery of a DeGrussa style deposit.

The Company has inspected the property and negotiated the Acquisition Agreement which provides the Company with the time to evaluate its prospectivity in more detail through a staged agreement that reflects the uncertainty as well as the potential for discovery.

An application has been made for a waiver from the requirements of ASX Listing Rule 7.3.4 to enable the Company to issue, as part consideration for the Acquisition, 30,000,000 Consideration Shares and 30,000,000 Consideration Options (as defined below) to DAH outside the period that is three months from the date of the shareholder meeting to approve the issue.

1.2 Material terms of the Acquisition Agreement

The principal terms of the Acquisition Agreement are as follows:

- (a) Doolgunna holds the option to acquire an 80% legal and beneficial interest in the Doolgunna Project from DAH (**Option**);
- (b) in consideration for a \$25,000 non-refundable payment, AYR has been granted a 30-day exclusive due diligence period with access to ground for inspection, during which the Company may notify DAH in writing that it wishes to be granted the Option (**Commencement Date**). The Option is exercisable by the Company at any time from the Commencement Date and ending on the date that is 12 months from the Commencement Date (**Option Period**);
- (c) Upon the election to commence, AYR will:
 - (i) pay \$25,000 cash consideration;
 - (ii) issue 15 million Shares (**Initial Shares**) to DAH, escrowed for 6 months;

- (iii) issue 15 million Options (**Initial Options**) to DAH, exercisable at \$0.025 on or before 4 years from the date of issue;
 - (iv) AYR to keep the tenement in good standing and meet at least the minimum tenement expenditure; and
 - (v) DAH obligated to provide all assistance to operate;
- (d) Upon exercise of the Option, AYR will:
- (i) pay \$50,000 cash;
 - (ii) subject to shareholder approval if required, issue 30 million Shares at a deemed issue price of \$0.015 per Share to DAH (**Consideration Shares**);
 - (iii) subject to shareholder approval if required, issue 30 million Options to DAH, exercisable at \$0.03 on or before 4 years from the date of issue (**Consideration Options**); and
 - (iv) obtain all necessary regulatory approvals pursuant to the ASX Listing Rules, the Corporations Act, the Mining Act or any other applicable law, on terms acceptable to AYR to allow DAH to lawfully complete the Acquisition;
- (e) DAH 20% free carry to decision to mine;
- (f) DAH 20% of costs of development to be funded by a loan, with the loan to be repaid via funds from production;
- (g) mutual first right of refusal; and
- (h) upon exercising the Option, AYR and DAH will enter into an industry standard joint venture agreement.

1.3 Summary of the Resolutions

Resolution 1 seeks ratification of the issue of 15,000,000 Initial Shares and 15,000,000 Initial Options to DAH as consideration to enter the Option Period to purchase an 80% interest in EL 52/3495 and **Resolution 2** seeks Shareholder approval for the issue of 15,000,000 Initial Shares and 15,000,000 Initial Options, if the issue has not occurred before the date of this Meeting. **Resolutions 3 to 6** seek Shareholder approval for the issue of 40,000,000 Options to related parties and **Resolution 7** seeks Shareholder approval to change the name of the company to Strickland Resources Limited.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SECURITIES

2.1 General

Either Resolution 1 or Resolution 2 may be withdrawn during this Meeting. If no Initial Shares and Initial Options have been issued prior to this Meeting, then Resolution 1 will be withdrawn.

As set out in Section 1, the Company has agreed to issue 15,000,000 Initial Shares and 15,000,000 Initial Options to Diversified Asset Holdings Pty Ltd, subject to completion of the due diligence period and the Company's election to commence the Option.

As at the date of this Notice, the due diligence period is not complete and the Initial Shares and Initial Options have not been issued, however it is considered likely that the Initial Shares and Initial Options will be issued either prior to the Meeting (using the Company's existing placement capacity under Listing Rule 7.1), or shortly thereafter and in any case within 3 months of the date of the Meeting.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Initial Shares and Initial Options.

In the event that no Initial Shares and Initial Options have been issued prior to the date of the Meeting, the Directors will withdraw Resolution 1 and instead seek Shareholder approval for the issue of the Initial Shares and Initial Options under Resolution 2 below.

2.2 Listing Rules 7.1 and 7.4

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.

The issue of the Initial Shares and Initial Options does not fall within any of these exceptions and, as the issue of Initial Shares and Initial Options the subject of Resolution 1 has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of those securities.

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. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

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 Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Initial Shares and Initial Options, the subject of Resolution 1.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is not passed, the Initial Shares and Initial Options will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, 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 Initial Shares and Initial Options.

If Resolution 1 is passed, the Initial Shares and Initial Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, 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 Initial Shares and Initial Options.

2.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Initial Shares and Initial Options were issued to Diversified Asset Holdings Pty Ltd (or its nominee), who are not related parties of the Company;
- (b) 15,000,000 Initial Shares and 15,000,000 Initial Options were issued pursuant to ASX Listing Rule 7.1;
- (c) the Initial Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares;
- (d) the Initial Options were issued on the terms and conditions set out in Schedule 1;
- (e) the Initial Shares and Initial Options will be issued between the date of this Notice and the date of the Meeting;
- (f) the Initial Shares and Initial Options were issued for nil consideration in part consideration for the acquisition of the Doolgunna Project;
- (g) the purpose of the issue was to satisfy the Company's obligations under the Acquisition Agreement;
- (h) the Initial Shares and Initial Options were issued to Diversified Asset Holdings Pty Ltd under the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Section 1; and
- (i) a voting exclusion statement is included in Resolution 1 of the Notice.

3. RESOLUTION 2 – APPROVAL TO ISSUE INITIAL SHARES AND INITIAL OPTIONS

3.1 General

Either Resolution 1 or Resolution 2 may be withdrawn during this Meeting. If all the Initial Shares and Initial Options have been issued prior to this Meeting, then Resolution 2 will be withdrawn.

As set out in Section 1, the Company has agreed to issue 15,000,000 Initial Shares and 15,000,000 Initial Options to Diversified Asset Holdings Pty Ltd, subject to completion of the due diligence period and the Company's election to commence the Option.

As at the date of this Notice, the due diligence period is not complete and the Initial Shares and Initial Options have not been issued, however it is considered likely that the Initial Shares and Initial Options will be issued either prior to the Meeting (using the Company's existing placement capacity under Listing Rule 7.1), or shortly thereafter and in any case within 3 months of the date of the Meeting.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Initial Shares and Initial Options.

In the event that Initial Shares and Initial Options have been issued prior to the date of the Meeting, the Directors will withdraw Resolution 2 and instead seek Shareholder ratification for the issue of the Initial Shares and Initial Options under Resolution 1 above.

3.2 Listing Rule 7.1

As summarised in Section 2.2 above, 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.

The proposed issue of the Initial Shares and Initial Options does not fit within any of these exceptions. While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

3.3 Technical Information Required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Initial Shares and Initial Options. In addition, the issue of the Initial Shares and Initial Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the issue of the Initial Shares and Initial Options can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

3.4 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Initial Shares and Initial Options will be issued to Diversified Asset Holdings Pty Ltd (or its nominee), who are not related parties of the Company;
- (b) the maximum number of Initial Shares to be issued is 15,000,000 Shares;
- (c) the maximum number of Initial Options to be issued is 15,000,000 Options;
- (d) the Initial Shares and Initial Options will be issued no later than 3 months 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 issue of the Initial Shares and Initial Options will occur on the same date;
- (e) the Initial Shares and Initial Options will be issued for nil cash consideration in part consideration for the acquisition of the Doolgunna Project;
- (f) the Initial 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;

- (g) the Initial Options will be issued on the terms and conditions set out in Schedule 1;
- (h) the purpose of the issue of the Initial Shares and Initial Options is to satisfy the Company's obligations under the Acquisition Agreement;
- (i) no funds will be raised from the issue of the Initial Shares and Initial Options as they are being issued as part consideration for the Acquisition;
- (j) the material terms of the Acquisition Agreement are summarised in Section 1; and
- (k) a voting exclusion statement is included in Resolution 2 of the Notice.

4. RESOLUTIONS 3 TO 6 - ISSUE OF OPTIONS TO RELATED PARTIES

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 40,000,000 Options (**Related Party Options**), comprising 9,500,000 Tranche 1 Options, 11,500,000 Tranche 2 Options and 19,000,000 Tranche 3 Options to Messrs Viner, Hart, Powell and Skinner (**Related Parties**) on the terms and conditions set out below.

Resolutions 3 to 6 seek Shareholder approval for the issue of the Related Party Options to the Related Parties.

4.2 Chapter 2E of 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.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Viner, Powell and Skinner are related parties of the Company by virtue of being Directors. Mr Hart is a related party by virtue of being a director of the Company in the last 6 months.

As the Related Party Options are proposed to be issued to all 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 Chapter 2E of the Corporations Act.

4.3 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 Related Party Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

4.4 Technical Information required by Listing Rule 14.1A

If Resolutions 3 to 6 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Related Parties 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 Related Party Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 to 6 are not passed, the Company will not be able to proceed with the issue of the Related Party Options.

4.5 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 3 to 6:

- (a) the related parties are Messrs Viner, Hart, Powell and Skinner, each of whom falls within the category set out in Listing Rule 10.11.1. Messrs Viner, Powell and Skinner are related parties by virtue of being Directors and Mr Hart is a related party by virtue of being a director in the last 6 months;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be issued to the Related Parties is an aggregate of 40,000,000 Related Party Options, comprising of the issue of:

Related Party	Tranche 1	Tranche 2	Tranche 3	Total
Mr Andy Viner (Resolution 3)	5,000,000	5,000,000	10,000,000	20,000,000
Mr Kevin Hart (Resolution 4)	2,500,000	2,500,000	5,000,000	10,000,000
Mr Gary Powell (Resolution 5)	1,000,000	2,000,000	2,000,000	5,000,000
Mr Paul Skinner (Resolution 6)	1,000,000	2,000,000	2,000,000	5,000,000

- (c) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the issue price of the Related Party Options will be nil. The Company will not receive any other consideration in respect of the issue of the Related Party Options (other than in respect of funds received on exercise of the Related Party Options);
- (e) the purpose of the issue of the Related Party Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way for the Company to remunerate the Related Parties;
- (f) the Related Party Options are unquoted Options. The Company has agreed to issue the Related Party Options to the Related Parties subject to Shareholder for the following reasons:
 - (i) the Related Party Options are unquoted. Therefore, the issue of the Related Party Options has no immediate substantial dilutionary impact on Shareholders, other than the Tranche 1 Related Party Options which will vest immediately but will only have a minor dilutionary impact on Shareholders; 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 on the terms proposed;
- (g) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves;
- (h) the terms and conditions of the Related Party Options are set out in Schedule 2;
- (i) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;
- (j) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options ¹
Mr Andy Viner	6,730,320	3,000,000
Mr Kevin Hart	2,168,679	1,500,000
Mr Gary Powell	1,000,000	1,500,000
Mr Paul Skinner	4,569,950	Nil

Notes:

1. Unquoted options exercisable at \$0.04 each on or before 30 November 2022.

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year ²	Previous Financial Year ¹
Mr Andy Viner	\$220,711	\$245,624
Mr Kevin Hart ⁵	\$22,500	\$30,000
Mr Gary Powell ³	\$26,250	\$5,000
Mr Paul Skinner ⁴	\$3,750	Nil

Notes:

1. Including base remuneration, superannuation and incentive securities.
2. Excluding incentive securities.
3. Mr Powell was appointed on 1 May 2019.
4. Mr Skinner was appointed on 8 April 2020.
5. Mr Hart resigned as a Director on 8 April 2020 and fees shown are Director related (Mr Hart continues as Company Secretary and is paid fees for those services).

- (l) if the Related Party Options granted to the Related Parties are exercised, a total of 40,000,000 Shares would be issued. This will increase the number of Shares on issue from 350,367,945 to 390,367,945 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 10.2%, comprising 5.1% by Mr Viner, 2.55% by Mr Hart, 1.3% by Mr Powell and 1.3% by Mr Skinner;

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (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	\$0.026	1 July 2020
Lowest	\$0.001	9 March 2020, 11 March 2020, 23 March 2020, 27 March 2020, 7 – 9 April 2020
Last	\$0.028	14 July 2020

*As announced on 6 April 2020, the Company completed a 1:10 consolidation of its issued capital

- (n) each Director has a material personal interest in the outcome of Resolutions 3 to 6 on the basis that all of the Directors (or their nominees) are to be issued Related Party Options should Resolutions 3 to 6 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 3 to 6 of this Notice;
- (o) 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 to 6; and
- (p) a voting exclusion statement is included in Resolutions 3 to 6 of the Notice.

5. RESOLUTION 7 – CHANGE OF COMPANY NAME

In accordance with section 157(1)(a) of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a special resolution, for the name of the Company to be changed to Strickland Metals Limited.

Resolution 7 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

The proposed name has been reserved by the Company with ASIC and if Resolution 7 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If Resolution 7 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The Directors recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

Acquisition means the proposed acquisition of 80% interest in EL 52/3495, as described in Section 1.

Acquisition Agreement means the option agreement for the acquisition of the 80% interest in EL 52/3495, a summary of which is included in Section 1.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company or **AYR** means Alloy Resources Limited (ACN 109 361 195).

Consideration Options means the 30,000,000 Options to be issued to DAH in part-consideration for the Acquisition.

Consideration Shares means the 30,000,000 Shares to be issued to DAH in part-consideration for the Acquisition.

Constitution means the Company's constitution.

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

DAH means Diversified Asset Holdings Pty Ltd (ACN 169 563 795).

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.

Initial Options means 15,000,000 Options to be issued to DAH on the terms and conditions set out in Schedule 1.

Initial Shares means 15,000,000 Shares to be issued to DAH.

Mining Act means the *Mining Act 1978* (WA).

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.

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.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

The amount payable upon exercise of each Option is:

- (i) Initial Options - \$0.025; and
- (ii) Consideration Options - \$0.03,

(each, an **Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 4 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**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.

(f) **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**).

(g) **Timing of issue of Shares on exercise**

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

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, 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; and
- (iii) 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 1.1(g)(ii) 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.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **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.

(k) **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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Period and Vesting Conditions**

The Options shall vest in three tranches and become exercisable into Shares subject to the following vesting conditions:

	Vesting Conditions	Exercise Price
Tranche 1	Tranche 1 Options shall vest immediately upon issue. Vesting is conditional upon the holder being employed with the Company at the vesting date.	\$0.04 per Option
Tranche 2	Tranche 2 Options vest on 31 July 2021. Vesting is conditional upon the holder being employed with the Company at the vesting date.	\$0.04 per Option
Tranche 3	Tranche 3 vest on 31 July 2022. Vesting is conditional upon the holder being employed with the Company at the vesting date.	\$0.05 per Option

(c) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option (**Exercise Price**) is set out in the above table.

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) 48 months from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise of Options**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and an option certificate which nominates either "Traditional Exercise" or "Cashless Exercise" such that:

- (i) (**Traditional Exercise**): if the Optionholder nominates Traditional Exercise, the Notice of Exercise must be accompanied by 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;
- (ii) (**Cashless Exercise**): in lieu of paying the aggregate Exercise Price to purchase Shares, the Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of

Shares determined in accordance with the following formula (a **Cashless Exercise**):

$$A = \frac{B(C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;

C = the market value of one Share determined as of the date of delivery to the Company Secretary of a Notice of Exercise; and

D = the Exercise Price.

For example, if an Optionholder holds 50 Options (which have vested and are therefore capable of exercise), each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Optionholder elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Optionholder will pay no cash and receive 16 Shares (being $50(\$1.50 - \$1.00)/\$1.50 = 16.67$, rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option (or portion thereof), the total number of Shares that may be issued pursuant to the exercise of Options shall be reduced by the total number of Shares with respect to which the Option (or portion thereof) was surrendered.

(f) **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**).

(g) **Timing of issue of Shares on exercise**

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

- (i) 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, 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; and
- (iii) 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 (g)(ii) 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.

(h) **Automatic Vesting**

Subject to the Company complying with the rules of the ASX and the Corporations Act, each Option will automatically vest and become exercisable into Shares in the event of:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) a person acquiring voting power (as defined in section 610 of the Corporations Act) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Options were issued; or
- (iv) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Options (whether or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at the date of issue of the Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group; and

such a determination shall be notified to the holder in writing.

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **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.

(l) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(m) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 4 to 7 have been valued by internal management.

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

Assumptions:	Tranche 1	Tranche 2	Tranche 3
Valuation date	30 June 2020	30 June 2020	30 June 2020
Market price of Shares	2.4 cents	2.4 cents	2.4 cents
Exercise price	4 cents	4 cents	5 cents
Expiry date (estimated time from issue)	30 June 2024	30 June 2024	30 June 2024
Risk free interest rate	0.34%	0.34%	0.34%
Volatility (discount)	100%	100%	100%
Indicative value per Related Party Option	1.44 cents	1.44 cents	1.44 cents
Total Value of Related Party Options	\$136,772	\$165,593	\$255,593
- Mr Andy Viner	\$71,985	\$71,985	\$134,523
- Mr Kevin Hart	\$35,993	\$35,993	\$67,261
- Mr Gary Powell	\$14,397	\$14,937	\$26,905
- Mr Paul Skinner	\$14,397	\$14,937	\$26,905

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

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

Holder Number:

Vote by Proxy: AYR

Your proxy voting instruction must be received by **10.00am (WST) on Saturday, 15 August 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

ATTENDING THE MEETING

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

POWER OF ATTORNEY

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



Contact	Return your completed form		All enquiries to Automic
	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

STEP 1: Appoint Your Proxy	Complete and return this form as instructed only if you do not vote online I/We being a Shareholder entitled to attend and vote at the General Meeting of Alloy Resources Limited, to be held at 10.00am (WST) on Monday, 17 August 2020 at Suite 8, 7 The Esplanade, Mt Pleasant WA 6153 hereby:
	Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 3 to 6 (except where I/we have indicated a different voting intention below) even though Resolutions 3 to 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction	Resolutions	For	Against	Abstain
	1. Ratification of Prior Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Approval to Issue Initial Shares and Initial Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Issue of Options to Related Party – Mr Andrew Viner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Issue of Options to Related Party – Mr Kevin Hart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Issue of Options to Related Party – Mr Gary Powell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Issue of Options to Related Party – Mr Paul Skinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details	SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Email Address:			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date (DD/MM/YY)			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).