



# **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT**

For the Annual General Meeting to be held  
on 29 November 2019 at 10:30am (WST) at

Quest Kings Park,  
54 Kings Park Road, West Perth, Western Australia

This is an important document. Please read it carefully.  
Please speak to your professional advisers if you have any questions about this document or how to vote at the  
Meeting.



## **TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE**

### **Venue**

The Annual General Meeting of the Company will be held at:

**Quest Kings Park  
54 Kings Park Road  
West Perth, Western Australia, 6005**

**Commencing  
10:30am (WST)  
29 November 2019**

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (WST).

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice as soon as possible and either deliver the proxy form by post, in person, by facsimile or by email in accordance with instructions on the proxy form. You may also submit your proxy vote online in accordance with instructions on the proxy form.

Your proxy form must be received not later than 48 hours before the commencement of the Meeting.

**Your proxy form is enclosed.**

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of the Shareholders of Horizon Minerals Limited will be held at **Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia, on 29 November 2019 at 10:30am (WST)** for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

## AGENDA

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### ACCOUNTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2019."*

#### **Voting exclusion:**

A vote in respect of this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the entity.

### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER BILBE

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

*"That Peter Bilbe, who retires by rotation in accordance with rule 7.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."*

### RESOLUTION 3 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

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

*"That, for the purposes of Listing Rule 7.2 Exception 9(b) and for all other purposes Shareholders approve the issue of securities under the "Employee Incentive Plan" for a period of 3 years commencing on the date of this Meeting on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:**

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 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.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the meeting; and
- (d) the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

### RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO JON PRICE

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Performance Rights under an employee incentive scheme to Jon Price or his nominee on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or an associate of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:**

A person appointed as 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 for the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

## RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO PETER BILBE

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,025,000 Performance Rights under an employee incentive scheme to Peter Bilbe or his nominee on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or an associate of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:**

A person appointed as 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 for the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

## RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO ASHOK PAREKH

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,025,000 Performance Rights under an employee incentive scheme to Ashok Parekh or his nominee on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or an associate of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:**

A person appointed as 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 for the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

## RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO JEFF WILLIAMS

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,025,000 Performance Rights under an employee incentive scheme to Jeff Williams or his nominee on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors of the Company or an associate of those persons. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chair of the Meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**Restriction on proxy voting by key management personnel or closely related parties:**

A person appointed as 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 for the Company; 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.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting provided the chair is not the related party the subject of the Resolution or is an associate of the related party; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

## RESOLUTION 8 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms set out in the Explanatory Statement."*

**Voting exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or 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 an associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 9 – AMENDMENT TO THE COMPANY'S CONSTITUTION

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

*"That with effect from the close of the Meeting and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be modified by making the amendments described in the Explanatory Statement."*

## VOTING AND PROXIES

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1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions.

In relation to Resolutions 1 and 3 to 7 the proxy form expressly authorises the Chairman to exercise the proxy even though the Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel. Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties (who are not the Chairman of the Meeting) will not be voted on Resolutions 1 and 3 to 7.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Closely related parties are defined in the Corporations Act, and include certain family members, dependants and companies controlled by key management personnel.

4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27 November 2019 at 10:30 am (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board

***Ms Bianca Taveira***  
***Company Secretary***

Dated: 4 October 2019

## **EXPLANATORY STATEMENT**

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **1. FINANCIAL STATEMENTS AND REPORTS**

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at [www.horizonminerals.com.au](http://www.horizonminerals.com.au).

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2019;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

#### **2.1 General**

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for questions about or comments on the Remuneration Report at the Annual General Meeting.

#### **2.2 Voting Consequences**

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.



## 2.3 Previous voting results

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

## 2.4 Proxy restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PETER BILBE

Rule 7.3 of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office. Additionally, Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment. The retirement rules do not apply to the managing director.

Mr Peter Bilbe was last re-elected as a Director on 27 November 2018 at the 2018 annual general meeting. Mr Bilbe retires by rotation in accordance with the Constitution and the Listing Rules, and being eligible offers himself for re-election as a Director.

Mr Bilbe is a non-executive director of the Company. Details of the qualifications and experience of Mr Bilbe is set out in the Company's 2019 Annual Report.

The Board of the Company **recommends** the re-election of Peter Bilbe as a Director.

## 4. RESOLUTION 3

### 4.1 Background

The Board adopted the Employee Incentive Plan in September 2016 to enable the Company to issue any of Options, Performance Rights or Shares to eligible participants being employees (full and part-time), directors, relevant contractors, casual employees and prospective parties in these capacities.

The Employee Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth.

A copy of the Employee Incentive Plan will be made available for inspection at the Meeting. A summary of the Employee Incentive Plan is set out in Annexure 1.

## 4.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Employee Incentive Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the placement limits imposed by Listing Rules 7.1 and 7.1A on the number of securities that may be issued without shareholder approval. Listing Rule 7.2 exception 9(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by shareholders and the issue of securities is within 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

The Employee Incentive Plan was last approved by Shareholders for the purposes of Listing Rule 7.2 exception 9(b) on 17 October 2016. The number of securities issued under the Employee Incentive Plan since the last approval is 6,750,000 Options and 10,000,000 Performance Rights.

If an offer is made to a Director to participate in the Employee Incentive Plan then separate Shareholder approval will need to be obtained.

## 4.3 Recommendation

The Board recommends that Shareholders approve the issue of securities under the Employee Incentive Plan. It will allow the Company to issue securities for the benefit of participants of the Employee Incentive Plan whilst preserving the Company's placement limits of issuing securities and provide flexibility in the manner in which the Employee Incentive Plan is managed.

## 5. RESOLUTIONS 4, 5, 6 and 7 – ISSUE OF PERFORMANCE RIGHTS TO THE DIRECTORS

### 5.1 Background

Resolutions 4, 5, 6 and 7 seek Shareholder approval so that the Company may issue Performance Rights as an incentive to each of the 4 Directors under the Employee Incentive Plan.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 because the Directors are related parties of the Company.

### 5.2 Chapter 2E of the Corporations Act - Related Party transaction

The proposed issue of Performance Rights to the Directors is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 4, 5, 6 and 7 for the purposes of the Corporations Act.

(a) **The related party to whom the proposed Resolutions would permit the financial benefit to be given**

The related parties are Jon Price (Resolution 4), Peter Bilbe (Resolution 5), Ashok Parekh (Resolution 6) and Jeff Williams (Resolution 7) or their nominees.

(b) **The nature of the financial benefit**

The proposed financial benefit to be given is the issue of Performance Rights.

There are 5 classes of Performance Rights being Class F Performance Rights, Class G Performance Rights, Class H Performance Rights, Class I Performance Rights and Class J Performance Rights. They each have different performance conditions.

The terms of the Performance Rights including the service and performance conditions are set out in Annexure 2.

The numbers of Performance Rights proposed to be issued to the Directors are:

	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights	Class I Performance Rights	Class J Performance Rights	Total Performance Rights
Jon Price	333,333	333,333	333,334	1,000,000	1,000,000	3,000,000
Peter Bilbe	75,000	75,000	75,000	400,000	400,000	1,025,000
Ashok Parekh	75,000	75,000	75,000	400,000	400,000	1,025,000
Jeff Williams	75,000	75,000	75,000	400,000	400,000	1,025,000
<b>Total Performance Rights</b>	<b>558,333</b>	<b>558,333</b>	<b>558,334</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>6,075,000</b>

(c) **Reasons and basis for giving the benefit and Directors recommendation**

The Board consists of Peter Bilbe (Chairman), Jon Price (Managing Director), Ashok Parekh (Non-Executive Director) and Jeff Williams (Non-Executive Director).

By Resolutions 4, 5, 6 and 7 the Company is proposing to issue Performance Rights to each of the 4 Directors.

The purpose of the issue of the Performance Rights is to incentivise the Directors to continue to provide ongoing dedicated services to the Company and provide remuneration linked to the performance of the Company. The benefit will only be received upon the relevant service and performance condition being satisfied.

The Performance Rights are also a way of granting an incentive while preserving the Company's cash reserves.

The Directors independent of the particular Director to be issued the Performance Rights consider that the particular number and terms of the Performance Rights to be issued to that particular Director in each case constitutes an appropriate number to adequately reward and incentivise him in the circumstances in light of his effort, skill and experience and when considered together with his other remuneration as a Director (as detailed below).

The Company acknowledges that the issue of the Performance Rights to Peter Bilbe, Ashok Parekh and Jeff Williams as non-executive Directors may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Performance Rights to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Jon Price abstains from making a recommendation to Shareholders on Resolution 4 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

Peter Bilbe abstains from making a recommendation to Shareholders on Resolution 5 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

Ashok Parekh abstains from making a recommendation to Shareholders on Resolution 6 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

Jeff Williams abstains from making a recommendation to Shareholders on Resolution 7 as he has a material personal interest in the outcome as the recipient of the Performance Rights.

(d) **Dilution**

The passing of the Resolutions would have the effect of issuing the Directors (or their nominees) a total of 6,075,000 Performance Rights.

If any of the Performance Rights vest, Shares will issue which will have the effect of diluting the shareholding of existing Shareholders. If all of the Performance Rights vest so that 6,075,000 Shares are issued, the effect would be to dilute the shareholding of the existing Shareholders by approximately 1.4% (based on the total number of Shares that will be on issue at the date of this Notice of 427,975,200 Shares).

(e) **Remuneration of the Directors**

The total remuneration arrangements for each of the Directors are set out below.

The current remuneration package received by Jon Price is \$320,000 per annum plus statutory superannuation.

The current remuneration package received by Peter Bilbe is \$60,000 per annum plus statutory superannuation.

The current remuneration package received by Ashok Parekh is \$45,000 per annum plus statutory superannuation.

The current remuneration package received by Jeff Williams is \$45,000 per annum plus statutory superannuation.

(f) **Existing relevant interests**

At the date of this Notice, the Directors and their associates have the following relevant interest in securities of the Company.

	Shares	Options	Performance Rights
Jon Price	4,500,000	0	1,000,000 <sup>1</sup>
Peter Bilbe	1,980,000	0	400,000 <sup>1</sup>
Ashok Parekh	23,064,353	0	0
Jeff Williams	2,367,578	1,371,592 <sup>2</sup>	0

1. The Performance Rights are Class E Performance Rights. Upon satisfaction of the performance condition each Performance Right converts into one Share.
2. The Options have an exercise price of 29.12 cents and an expiry date of 9 December 2019.

(g) **Trading history**

The following table gives details of the highest, lowest and the latest closing market price of the Company's Shares trading on the ASX over the last 12 months.

	Date	Closing price
Highest price	24 September 2018	17 cents
Lowest price	1 July 2019	9.4 cents
Latest price	3 October 2019	13 cents

(h) **Valuation of the Performance Rights**

The Company's independent advisers, RSM Australia Pty Ltd, have valued the Performance Rights to be issued to the Directors. The Class F, Class G and Class H Performance Rights have been valued using the Hoadley Trading & Investment Tools ES02 valuation model. The Class I and Class J Performance Rights have been valued using the Hoadley Barrier 1 valuation model.

The following assumptions have been made regarding the inputs required for the option pricing model:

Input	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights	Class I Performance Rights	Class J Performance Rights	Note
Number of Performance Rights	558,333	558,333	558,334	2,200,000	2,200,000	
Underlying share spot price	13.5 cents	13.5 cents	13.5 cents	13.5 cents	13.5 cents	1
Dividend rate	Nil	Nil	Nil	Nil	Nil	2
Risk free rate	0.87%	0.87%	0.87%	0.87%	0.85%	3
Expected future volatility	68%	68%	68%	68%	68%	4
Life of the Performance Rights	0.33 Years	0.58 Years	0.83 Years	1.58 Years	2.58 Years	5
Performance condition	Yes	Yes	Yes	Yes	Yes	6

Note 1: The underlying share spot price used for the purpose of the valuation is based on the closing Share price of 13.5 cents on 17 September 2019.

Note 2: No dividends are expected to be paid during the life of the Performance Rights.

Note 3: The risk free rate is based on the 2 and 3 year Commonwealth Government bond rates at 17 September 2019.

Note 4: The expected future volatility was calculated from the Company's historical trading volatility over 1, 2 and 3 year periods.

Note 5: The life of the Performance Rights has been assumed to be 0.33 years for the Class F Performance Rights, 0.58 years for the Class G Performance Rights, 0.83 years for the Class H Performance Rights, 1.58 years for the Class I Performance Rights and 2.58 years for the Class J Performance Rights.

Note 6: The performance condition for each class of Performance Rights is set out in Annexure 2.

By reason of the Class F, Class G and Class H Performance Rights having a non-market performance condition, no discount has been applied by reason of their respective performance condition.

Based on the above assumptions, the Performance Rights have been valued as follows:

	Number and Value of Performance Rights				
	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights	Class I Performance Rights	Class J Performance Rights
Jon Price	333,333 Performance Rights – 13.5 cents each	333,333 Performance Rights – 13.5 cents each	333,334 Performance Rights – 13.5 cents each	1,000,000 Performance Rights – 8 cents each	1,000,000 Performance Rights – 8.4 cents each
Peter Bilbe	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	400,000 Performance Rights – 8 cents each	400,000 Performance Rights – 8.4 cents each
Ashok Parekh	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	400,000 Performance Rights – 8 cents each	400,000 Performance Rights – 8.4 cents each
Jeff Williams	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	75,000 Performance Rights – 13.5 cents each	400,000 Performance Rights – 8 cents each	400,000 Performance Rights – 8.4 cents each

(i) **Other information**

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

### 5.3 Listing Rule 10.14

Listing Rule 10.11 provides that a company must not issue securities (including Performance Rights) to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue securities to Directors under this Resolution as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the securities to the Directors will not be included in the calculation of the Company's placement capacity pursuant to Listing Rule 7.1.

The Company seeks approval from Shareholders for the issue of Performance Rights to the Directors who are related parties of the Company.

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Performance Rights will be issued to Jon Price, Peter Bilbe, Ashok Parekh and Jeff Williams as Directors.
- (b) The maximum number of Performance Rights that will be issued to the related parties is 6,075,000.

	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights	Class I Performance Rights	Class J Performance Rights	Total Performance Rights
Jon Price	333,333	333,333	333,334	1,000,000	1,000,000	<b>3,000,000</b>
Peter Bilbe	75,000	75,000	75,000	400,000	400,000	<b>1,025,000</b>
Ashok Parekh	75,000	75,000	75,000	400,000	400,000	<b>1,025,000</b>
Jeff Williams	75,000	75,000	75,000	400,000	400,000	<b>1,025,000</b>
<b>Total Performance Rights</b>	<b>558,333</b>	<b>558,333</b>	<b>558,334</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>6,075,000</b>

- (c) No monetary consideration is payable for the issue of the Performance Rights and any resultant Shares.
- (d) The securities to date that have been issued to related parties under the Employee Incentive Plan since it was approved by Shareholders on 17 October 2016 at the 2016 annual general meeting are:
  - (i) Jon Price – issued with 2,500,000 Options on 17 October 2016 and 3,000,000 Performance Rights on 23 November 2017;
  - (ii) Peter Bilbe – issued with 1,750,000 Options on 17 October 2016 and 1,025,000 Performance Rights on 23 November 2017;
  - (iii) Lorry Hughes (a former Director) – issued with 2,500,000 Options on 17 October 2016 and 1,450,000 Performance Rights on 23 November 2017; and
  - (iv) Peter Hunt (a former Director) – issued with 1,025,000 Performance Rights on 23 November 2017.
- (e) All the Directors (being Peter Bilbe, Jon Price, Ashok Parekh and Jeff Williams) are entitled to participate in the Employee Incentive Plan.

- (f) No loan will be provided to the Directors in respect of the issue of the Performance Rights.
- (g) The Performance Rights will be issued no later than 12 months after the date of Shareholder approval.

## 6. RESOLUTION 8 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

### 6.1 General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

### 6.2 Requirements of Listing Rule 7.1A

#### (a) Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

#### (b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

#### (c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the only Equity Securities that are quoted on ASX are fully paid ordinary Shares (HRZ).

#### (d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

(AxD)-E

A	<p>The number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> <li>• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;</li> <li>• plus the number of partly paid shares that became fully paid in the 12 months;</li> <li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;</li> <li>• less the number of fully paid shares cancelled in the 12 months.</li> </ul>
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D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

(e) **Interaction between Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 427,975,200 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- 64,196,280 Equity Securities under Listing Rule 7.1; and
- 42,797,520 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

**6.3 Information for Shareholders as required by Listing Rule 7.3A**

(a) **Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the date above, the date on which the Equity Securities are issued.

(b) **Risk of economic and voting dilution**

If this Resolution is passed and the Company issues securities under the Additional Placement Capacity, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:



- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price at 17 September 2019.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		6.75 cents 50% decrease in Issue Price	13.5 cents Issue Price	27 cents 100% increase in Issue Price
Current 427,975,200 Shares	10% Voting Dilution	42,797,520 Shares	42,797,520 Shares	42,797,520 Shares
	Funds raised	\$2,888,833	\$5,777,665	\$11,555,330
50% increase in Variable A 641,962,800 Shares	10% Voting Dilution	64,196,280 Shares	64,196,280 Shares	64,196,280 Shares
	Funds raised	\$4,333,249	\$8,666,498	\$17,332,996
100% increase in Variable A 855,950,400 Shares	10% Voting Dilution	85,595,040 Shares	85,595,040 Shares	85,595,040 Shares
	Funds raised	\$5,777,665	\$11,555,330	\$23,110,661

This table has been prepared on the following assumptions:

- The total number of Shares on issue at the date of this Notice is 427,975,200.
- The issue price is 13.5 cents, being the latest closing price of the Shares on ASX on 17 September 2019.
- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval.
- No quoted Options (including any quoted Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 29 November 2019 (the date of this Meeting) and expires on the earlier of:

- 29 November 2020, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking) (the "Placement Period").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that Shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the continued development on the Company's current assets, the acquisition of new assets or investments (including the expenses associated such acquisition) and for general working capital; or
- non-cash consideration for acquisition of new assets, investments or for the payment of goods or services or for the issue of Equity Securities associated with equity, debt or convertible security facilities that may be provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, a placement or a rights issue;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of the Meeting**

The Company has previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.

Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 29 November 2018) is 195,549,376 Equity Securities, which represents approximately 80.9% of the total number of Equity Securities on issue at 29 November 2018 (12 months before this Meeting).
- The Equity Securities issued during the 12 months preceding are:
  - (i) 192,586,736 Shares on 14 June 2019 to shareholders of MacPhersons Resources Limited ("MacPhersons") in accordance with a scheme of arrangement which Shares were issued at a ratio of 1 Share for every 1.8227 MacPhersons shares held by MacPhersons shareholders at the record date. The Share price on the day the Shares were issued was 10.5 cents per Share. The value of the Shares issued is \$25,999,209 (at 13.5 cents per Share on market at 17 September 2019).
  - (ii) 2,743,184 Unlisted Options (exercise price 29.12 cents and expiry date of 9 December 2019) on 14 June 2019 to relevant option holders of MacPhersons in accordance with a scheme of arrangement which Options were issued at a ratio of 1 Option for every 1.8227 MacPhersons options cancelled on the implementation date. The value of the Options issued is \$3,292 (at 0.0012 cents per Option on 30 August 2019).
  - (iii) 219,456 Unlisted Options (exercise price 69.88 cents and expiry date of 28 February 2020) on 14 June 2019 to relevant option holders of MacPhersons in accordance with a scheme of arrangement which Options were issued at a ratio of 1 Option for every 1.8227 MacPhersons options cancelled on the implementation date. The value of the Options is \$22 (at 0.0001 cent per Option on 30 August 2019).

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 7. RESOLUTION 9 – AMENDMENT TO THE COMPANY'S CONSTITUTION

### 7.1 Special Resolution

Resolution 9 is a special resolution proposing to modify the Constitution by deleting the current rule 2.9 and inserting a new rule 2.9 in its place. Rule 2.9 concerns restricted securities.

Section 136 of the Corporations Act allows a company to modify its constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution.

### 7.2 Reasons for the amendment to the Constitution

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime is to come into effect from 1 December 2019. A two-tiered escrow regime is to be introduced.

The first tier of escrow will involve ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant restriction agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier will apply where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime is to replace the current requirement where all holders of restricted securities must enter into a formal escrow agreement.

In order to provide a constitutional underpinning for ASX's modified escrow regime, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019.

The new Listing Rule 15.12 requires the constitution of listed entities to reflect the modified escrow regime. This includes the constitution expressly providing for securities to be subject of a holding lock where they are in a class of quoted securities and further providing that the holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

### 7.3 Amendment

The current rule 2.9 of the Company's Constitution does not provide for the ASX's modified escrow regime. A modification of the Constitution is therefore sought by deleting the current rule 2.9 and inserting a new rule 2.9 in its place which will be in the following terms:

"2.9 *Restricted Securities*

- (a) *The Company must comply with the Listing Rules in respect of Restricted Securities.*
- (b) *Notwithstanding the generality of Rule 2.9(a):*
  - (i) *a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
  - (ii) *if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;*
  - (iii) *the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
  - (iv) *a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
  - (v) *if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

The new proposed rule provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

A copy of the Constitution with the amendment proposed will be made available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting.

The Directors **recommend** Shareholders vote to modify the Constitution to insert the new rule to ensure compliance with the Listing Rule changes.

## GLOSSARY

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In the Notice and this Explanatory Statement the following expressions have the following meanings:

<b>Additional Placement Capacity</b>	means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.
<b>Annual General Meeting or Meeting</b>	the meeting convened by this Notice.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>Board</b>	the Board of Directors of the Company.
<b>Chairman or Chair</b>	the person appointed to chair the Meeting convened by this Notice.
<b>Company or Horizon</b>	Horizon Minerals Limited (ACN 007 761 186).
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Directors</b>	Directors of the Company from time to time.
<b>Employee Incentive Plan</b>	the Employee Incentive Plan with the terms summarised in Annexure 1.
<b>Equity Securities</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Statement</b>	this Explanatory Statement.
<b>Listing Rules or ASX Listing Rules</b>	the listing rules of the ASX.
<b>Notice</b>	notice of meeting that accompanies this Explanatory Statement.
<b>Option</b>	an option to subscribe for a Share.
<b>Performance Right</b>	means the right which entitles the holder to be issued with one fully paid ordinary share for each performance right for nil consideration, subject to performance conditions being satisfied on the terms set out in Annexure 2.
<b>Placement Period</b>	means the period during which Shareholder Approval under Listing Rule 7.1A is valid.
<b>Resolution</b>	a resolution referred to in the Notice.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>Trading days</b>	has the same meaning as in the Listing Rules.
<b>WST</b>	WST, Perth, Western Australia.
<b>\$</b>	Australian dollars unless otherwise stated.

## ANNEXURE 1

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### SUMMARY OF TERMS OF EMPLOYEE INCENTIVE PLAN (Resolution 3)

- 1. Purpose**

The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of Options, performance rights or Shares to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants**

Eligible participants are a full or part-time employee, a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities ("**Eligible Participants**").
- 3. Offers**

Subject to any necessary Shareholder approval, the Board may offer Options, performance rights or Shares to Eligible Participants for nil consideration.
- 4. Expiry Date**

The expiry date of any Options or performance rights will be determined by the Board.
- 5. Vesting Conditions and Lapse**

An Option or performance right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the options or performance rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles.

An Option or performance right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or retirement) and upon misconduct by a participant.
- 6. Shares issued on vesting**

Each Option or performance right entitles the holder to one fully paid ordinary share on vesting.
- 7. Transferability and quotation**

An Option or performance right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the Options or performance rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on vesting of the options or performance rights.
- 8. No voting or dividend rights**

The Options or performance rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the Options or performance rights are vested and the underlying Shares have been issued.
- 9. No participation rights**

The Options or performance rights do not entitle the holder to participate in the issue of securities unless the Options or performance rights are vested and Shares have been issued before the record date for determining entitlements.
- 10. Limitation on number of securities**

Securities to be issued under the Employee Incentive Plan when aggregated with the number of Shares issued during the previous 5 years under any employee incentive scheme of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.
- 11. Administration of the Employee Incentive Plan**

The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.
- 12. Operation**

The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.
- 13. Application of Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth)**

Subdivision 83A-C (deferred inclusion of gain in assessable income) of the *Income Tax Assessment Act 1997 (Cth)* applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.



## ANNEXURE 2

### TERMS OF PERFORMANCE RIGHTS (Resolutions 4, 5, 6 and 7)

The terms of the Performance Rights will be as follows:

Class of Performance Rights	Service Condition	Performance condition
Class F Performance Rights	The holder or the holder's representative remains engaged as an employee or director until the performance condition is satisfied.	(a) Prior to 31 March 2020 the Company completes the acquisition of the Coolgardie Gold Project from Focus Minerals Ltd;  or (b) Prior to 31 March 2020 a Takeover Event occurs.
Class G Performance Rights	The holder or the holder's representative remains engaged as an employee or director until the performance condition is satisfied.	(a) Prior to 30 June 2020 a consolidated feasibility study upon the current combined Kalgoorlie gold projects is completed featuring a minimum 4 year mine plan and JORC Ore Reserves of at least 250,000 ounces of gold;  or (b) Prior to 30 June 2020 a Takeover Event occurs.
Class H Performance Rights	The holder or the holder's representative remains engaged as an employee or director until the performance condition is satisfied.	(a) Prior to 30 September 2020 first gold production has occurred on the Boorara gold project;  or (b) Prior to 30 September 2020 a Takeover Event occurs.
Class I Performance Rights	The holder or the holder's representative remains engaged as an employee or director until the performance condition is satisfied.	(a) Prior to 1 July 2021 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 25 cents or more;  or (b) Prior to 1 July 2021 a Takeover Event occurs.

Class of Performance Rights	Service Condition	Performance condition
Class J Performance Rights	The holder or the holder's representative remains engaged as an employee or director until the performance condition is satisfied.	(a) Prior to 1 July 2022 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 30 cents or more; or (b) Prior to 1 July 2022 a Takeover Event occurs.

For the purposes of the terms of the Performance Rights, "*Takeover Event*" means a takeover bid for the Company pursuant to Chapter 6 of the Corporations Act where at least 50% of the holders of ordinary shares accept the bid and such bid is free of conditions or a court grants an order approving a compromise or scheme where the ordinary shares are either cancelled or transferred to a third party (not being a scheme of arrangement simply for the purposes of a corporate restructure).


The other terms of the Performance Rights will be:

- (a) (Conversion) Upon satisfaction of the relevant performance condition, each Performance Right will, at the election of the holder, vest and convert into one Share. The Directors have agreed to a restriction period of 6 months for the disposal or transfer of the Shares to be issued upon vesting of the Performance Rights in accordance with subdivision 83A-C of the *Income Tax Assessment Act 1997 (Cth)*.
- (b) (No Consideration payable) No consideration will be payable upon the vesting and conversion of the Performance Rights.
- (c) (No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.
- (d) (No dividend rights) A Performance Right does not entitle a holder to any dividends.
- (e) (No rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) (Not transferable) A Performance Right is not transferable.
- (g) (Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of a holder will be varied, as appropriate, in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) (Quotation of Shares on conversion) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules. The Company will not apply for quotation of the Performance Rights on ASX.
- (i) (No participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (j) (No other rights) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (k) (Lapse) If the performance condition relevant to a Performance Right has not been satisfied by the relevant expiry date, then the Performance Rights will automatically lapse.



HRZ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?

 **Phone:**  
1300 656 317 (within Australia)  
+61 3 9946 4408 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (WST)**  
**Wednesday, 27 November 2019**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Horizon Minerals Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Horizon Minerals Limited to be held at Quest Kings Park, 54 Kings Park Road, West Perth, Western Australia on Friday, 29 November 2019 at 10:30am (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 to 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3 to 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 to 7 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Peter Bilbe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Performance Rights to Jon Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Performance Rights to Peter Bilbe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Performance Rights to Ashok Parekh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Performance Rights to Jeff Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Amendment to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

