



# **Notice of General Meeting and Explanatory Statement**

**Nova Minerals Limited**  
**ACN 006 690 348**

---

**Date:** 18 September 2019

**Time:** 10.00am (AEST)

**Venue:** Level 17, 500 Collins Street  
MELBOURNE, Victoria 3000

---

## NOTICE GENERAL MEETING

**NOTICE is given that a General Meeting (Meeting) of Nova Minerals Limited will be held at  
Level 17, 500 Collins Street, Melbourne, Victoria 3000  
on 18 September 2019 at 10.00am (AEST)**

---

Each of the resolutions proposed to be put to shareholders at the Meeting are set out in this Notice of General Meeting (**Notice**). Further details regarding those resolutions are set out in the Explanatory Statement accompanying this Notice. The details of the resolutions contained in the Explanatory Statement should be read together with this Notice.

Shareholders are invited to consider the following items of business at the Meeting:

### 1. Issue of Incentive Options – Avi Kimelman

<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following as an ordinary resolution:</p> <p>“THAT, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, shareholders approve the issue of 20 million Incentive Options pursuant to the Employee Share Option Plan, and any Shares issued on exercise of those Incentive Options, to Mr Avi Kimelman (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”</p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Kimelman (or his nominee/s) or any of their associates.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"><li>(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; and</li><li>(b) it is cast by a 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.</li></ul>
<b>Voting Prohibition Statement</b>	<p>The Company will disregard votes cast on this Resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons (<b>Excluded Persons</b>):</p> <ul style="list-style-type: none"><li>(a) Key Management Personnel; and</li><li>(b) Closely Related Parties of Key Management Personnel.</li></ul> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"><li>(c) cast by an Excluded Person as proxy for a person who is entitled to vote, appointed in accordance with the directions of the proxy form; or</li><li>(d) 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.</li></ul>

## 2. Issue of Incentive Options – Louie Simens

<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following as an ordinary resolution:</p> <p>“THAT, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, shareholders approve the issue of 20 million Incentive Options pursuant to the Employee Share Option Plan, and any Shares issued on exercise of those Incentive Options, to Mr Louie Simens (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”</p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Simens (or his nominee/s) or any of their associates.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(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; and</li> <li>(b) it is cast by a 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.</li> </ul>
<b>Voting Prohibition Statement</b>	<p>The Company will disregard votes cast on this Resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons (<b>Excluded Persons</b>):</p> <ul style="list-style-type: none"> <li>(a) Key Management Personnel; and</li> <li>(b) Closely Related Parties of Key Management Personnel.</li> </ul> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"> <li>(c) cast by an Excluded Person as proxy for a person who is entitled to vote, appointed in accordance with the directions of the proxy form; or</li> <li>(d) 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.</li> </ul>

## 3. Issue of Incentive Options – Avi Geller

<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following as an ordinary resolution:</p> <p>“THAT, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, shareholders approve the issue of 10 million Incentive Options pursuant to the Employee Share Option Plan, and any Shares issued on exercise of those Incentive Options, to Mr Avi Geller (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”</p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Geller (or his nominee/s) or any of their associates.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(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; and</li> <li>(b) it is cast by a 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.</li> </ul>
<b>Voting Prohibition Statement</b>	<p>The Company will disregard votes cast on this Resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons (<b>Excluded Persons</b>):</p> <ul style="list-style-type: none"> <li>(a) Key Management Personnel; and</li> <li>(b) Closely Related Parties of Key Management Personnel.</li> </ul> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"> <li>(c) cast by an Excluded Person as proxy for a person who is entitled to vote, appointed in accordance with the directions of the proxy form; or</li> <li>(d) 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.</li> </ul>

#### 4. Financial Assistance to Directors

<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following as an ordinary resolution:</p> <p>“THAT, subject to the passing of Resolutions 1 to 3, for the purposes of sections 195(4), 208 and 260C of the Corporations Act and for all other purposes, approval be and is hereby given to the granting of financial assistance to the Directors by way of loans to assist them to exercise the Incentive Options, in the amounts and on the terms and conditions set out in the Explanatory Statement.”</p>
<b>Voting Exclusion</b>	<p>The Company will disregard any votes cast in favour of this Resolution by any Director or any of their associates.</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"><li>(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; and</li><li>(b) it is cast by a 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.</li></ul>
<b>Voting Prohibition Statement</b>	<p>The Company will disregard votes cast on this Resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons (<b>Excluded Persons</b>):</p> <ul style="list-style-type: none"><li>(a) Key Management Personnel; and</li><li>(b) Closely Related Parties of Key Management Personnel.</li></ul> <p>However, the Company need not disregard a vote if it is:</p> <ul style="list-style-type: none"><li>(c) cast by an Excluded Person as proxy for a person who is entitled to vote, appointed in accordance with the directions of the proxy form; or</li><li>(d) 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.</li></ul>

Dated 8 August 2019

**By order of the Board of Nova Minerals Limited**



**Adrien Wing**  
Company Secretary

## VOTING INFORMATION

---

### Entitlement to vote at the Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that persons eligible to vote at the Meeting are those registered shareholders of the Company as at **7.00pm (AEST) on 16 September 2019**, subject to any applicable voting exclusion.

### Voting by proxy

- (a) A shareholder entitled to attend and vote at the Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than one proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority by **7:00pm (AEST) on 16 September 2019**:

**By post or by hand** Nova Minerals Limited  
Level 17, 500 Collins Street  
Melbourne VIC 3000

**By facsimile** +61 3 9614 0550

### Proxy voting by the Chair

The Corporations Act imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (and/or voting undirected proxies) on, amongst other things, remuneration matters. Resolutions 1 to 4 are connected, directly or indirectly, with the remuneration of Key Management Personnel of the Company.

However, the Chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the Chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel.

If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 to 4. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 to 4 (unless you are a member of the Key Management Personnel or a Closely Related Party, in which case your vote cannot be cast on the Resolutions). If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Chair intends to vote all available undirected proxies in favour of each item of business.

Where the Chair has a material personal interest in the outcome of a Resolution, the position of Chair will be temporarily taken by another person when votes are called for that Resolution.

Subject to the above, if you appoint as your proxy any Director, except the Chair, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolutions 1 to 4, that person will not vote your proxy on that item of business.

### CORPORATE REPRESENTATIVES

---

Any corporation which is a member of the Company may appoint a proxy, as set out above, or authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair) a natural person to act as its representative at any general meeting.

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the Constitution. Attorneys are requested to bring an original or certified copy of the power of attorney pursuant to which they were appointed. Proof of identity is also required for corporate representatives and attorneys.

# EXPLANATORY STATEMENT TO NOTICE OF GENERAL MEETING

---

This Explanatory Statement (**Statement**) accompanies and forms part of the Company's Notice of General Meeting (**Notice**). The Notice incorporates, and should be read together with, this Statement.

## 1. Resolutions 1 to 3: Issue of Incentive Options to Related Parties

Resolutions 1 to 3 seek shareholder approval for the issue of an aggregate of 50 million Incentive Options to Directors, Mr Avi Kimelman (20 million), Mr Louie Simens (20 million) and Mr Avi Geller (10 million) under the Employee Share Option Plan.

The Incentive Options are exercisable at \$0.04 and will expire three years from their date of issue. The exercise price is at a premium to the Share price as the date the Board approved the terms of the grant of the Options to the Directors, subject to Shareholder approval, which occurred on 6 August 2019.

### ***Corporations Act Chapter 2E and Section 195***

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 Incentive Options constitutes giving a financial benefit and the recipients are related parties of the Company by virtue of their positions as current or former Directors (as the case may be).

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Incentive Options for the purposes of Chapter 2E of the Corporations Act.

In addition, as all of the Directors have a material personal interest in the issue of the Incentive Options that are the subject of Resolutions 1 to 3, the Company seeks approval under section 195 of the Corporations Act so that Shareholders may pass a resolution to deal with this matter.

### ***Listing Rule 10.14***

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of a company under an employee incentive scheme. This extends to any associates of a director and any person whose relationship with the entity or a director is, in ASX's opinion, such that approval should be obtained.

As the grant of the Incentive Options involves the issue of securities under the proposed Employee Share Option Plan to Directors, Shareholder approval pursuant to Listing Rule 10.14 is required.

### ***Specific information required by the Corporations Act and Listing Rule 10.15***

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.15, the following information is provided in relation to Resolutions 1 to 3:

- (a) The Incentive Options will be issued to Mr Avi Kimelman, Mr Louie Simens and Mr Avi Geller (all of whom are Directors) and/or their nominees.
- (b) The maximum number of Incentive Options to be issued is 50 million.

- (c) The issue of the Incentive Options will occur on one date and no later than 12 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).
- (d) The Incentive Options will be issued under the Company's ESOP (the key terms of which are set out in Schedule 1) and, accordingly, will be issued for nil cash consideration and no funds will be raised. Funds raised from the exercise of Options will be used to fund further exploration and development of the Company's Estelle Gold Project and for general working capital.
- (e) There have not been any securities issued to Directors or other related parties of the Company under the Employee Share Option Plan since it was first approved by Shareholders on 28 February 2018.
- (f) Under the ESOP, all Directors, eligible employees and contractors as well as key executives are entitled to participate in the ESOP.
- (g) The terms and conditions of the Incentive Options are set out in this Section 1 and in Schedule 2 and the key terms of the ESOP are set out in Schedule 1.
- (h) The value of each Incentive Option is \$0.015 (1.5 cents), with the values attributable to the recipients detailed as follows:

Recipient	Number of Incentive Options	Total Value (\$)
Avi Kimelman	20,000,000	300,000
Louie Simens	20,000,000	300,000
Avi Geller	10,000,000	150,000
<b>Total</b>	<b>50,000,000</b>	<b>\$750,000</b>

- (i) The relevant interests of the recipients in securities of the Company (excluding the Incentive Options to be issued under Resolutions 1 to 3) as at the date of the Notice is as follows:

	Shares	Options*
Avi Kimelman	37,013,846	33,305,336
Louie Simens	36,725,275	22,218,437
Avi Geller	9,230,769	4,615,385

\* Listed Options exercisable at \$0.0325 on or before 31 August 2020.

- (j) The recipients' remuneration and emoluments for the previous two financial years are set out below:

Director	Financial Year	Short Term Benefits		Long Term Benefits	Post-Employment	Share Based Payments	Total
		Cash Salary and Fees	Payables	Annual & Long Service Leave	Super-annuation	Options/ Shares	
		\$	\$	\$	\$	\$	\$
A Kimelman	2018	195,000	-	-	18,525	-	213,525
	2019	198,000	-	-	21,525	38,500	258,025
L Simens	2018	51,000	-	-	-	-	51,000
	2019	120,000	-	-	-	38,500	158,500
A Geller	2018	-	-	-	-	-	-
	2019	15,015	10,000	-	-	-	25,015

Aggregate remuneration proposed in the current financial year for Mr Kimelman is \$213,525, for Mr Simens is \$178,200 and for Mr Geller is \$60,000, inclusive of any superannuation and GST where applicable.

- (k) If the Incentive Options under Resolutions 1 to 3 are issued and are exercised, a total of 50 million Shares would be issued. This will increase the number of Shares on issue from 924,534,151 to 974,534,151 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 5.31% in respect of the 50 million Shares that would be issued to the recipients under Resolutions 1 to 3.
- (l) The trading history of the Company's shares on ASX in the previous 12 months from the date of this Notice is set out below:

	Price	Date
<b>Highest</b>	\$0.033	31 July and 1-2 August 2019
<b>Lowest</b>	\$0.013	1, 3 and 12 April 2019
<b>Last available</b>	\$0.027	7 August 2019

- (m) The Board acknowledges the grant of Incentive Options to a Director is contrary to Recommendation 8.2 of the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council. However, the Board considers the grant of Incentive Options under Resolutions 1 to 3 reasonable in the circumstances for the following reasons:
  - (i) the grant of Incentive Options, and the vesting of the Incentive Options over a period of time, will align the recipients' interests with those of Shareholders;
  - (ii) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the recipients; and
  - (iii) it is not expected that there are any significant opportunity costs to the Company foregone by the Company in granting the Incentive Options upon the terms proposed.

In addition, the Company has considered the respective positions and responsibilities of each of the Directors and their overall remuneration packages having regard for to remuneration packages offered by similar ASX-listed companies. The Company has also considered its reliance on a limited number of personnel and the need to retain that personnel, the need for the Company to effectively incentivise each of the Directors while aligning the incentive with increasing shareholder value, the desirability of preserving cash resources within the Company, and the terms of the Incentive Options. The Company considers that the issue of Incentive Options to Directors is an effective tool which preserves the cash reserves of the Company and its group entities whilst providing valuable consideration for the Directors linked to the future success of the Company.

- (n) The primary purpose of the grant of the Incentive Options is to provide a performance linked incentive component focussing on creating Shareholder value in the remuneration package for the recipients to motivate and reward performance in their roles with the Company.
- (o) All of the Directors have a material personal interest in the Resolutions and, accordingly, make no recommendation in respect of the Resolutions.
- (p) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to vote in favour of Resolutions 1 to 3.
- (q) Approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options under Resolutions 1 to 3 as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Incentive Options will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.



### **Valuation of Incentive Options**

The value of Incentive Options to be issued has been calculated using the Black-Scholes option pricing model as of 6 August 2019. The value of an option calculated as such is a function of a number of variables. The indicative value of the Incentive Options has been calculated using the following variables:

	<b>Incentive Options</b>
Valuation date	6 August 2019
Exercise price	\$0.04
Days Available	1,096
Underlying share price	\$0.028
Vesting date	7 August 2022
Risk free rate of return	0.700%
Volatility	100
Notional Indicative Value	\$0.015

The underlying share price of \$0.015 is based on the closing share price on ASX as at 6 August 2019.

## **2. Resolution 4: Financial Assistance to Directors**

Resolution 4 seeks approval for the granting of loans to Directors (or their nominees) for the purposes of enabling them to exercise the Incentive Options proposed to be issued under Resolutions 1 to 3 (collectively, the **Loan Scheme Options**). References to a "Director" in this Section include their nominees also.

A detailed overview of the terms of the loan is attached in Schedule 3.

### **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 Directors are deemed related parties under section 228(2) of the Corporations Act. Accordingly, this Resolution seeks Shareholder approval for the granting of the loans pursuant to section 208(1)(a) of the Corporations Act.

On 28 February 2018, the Company sought and received shareholder approval for the Nova Minerals Employee Share Option Plan, which allows the granting of financial assistance by the Company by way of loan to enable participants to exercise Options granted or to be granted under the ESOP or brought under the ESOP and to allow the Company to obtain security over Shares obtained by participants as security for such loans.

As the Directors or their nominees might benefit from the granting of financial assistance referred to above, Shareholder approval is sought pursuant to section 208 of the Corporations Act to allow this grant of financial assistance to them.

In addition, the Company is seeking approval under section 260C (financial assistance to acquire shares). Section 260A requires financial assistance that might be considered to materially prejudice the interests of the Company or its Shareholders or the Company's ability to pay its creditors to be approved by Shareholders under section 260B and advance notice to be provided to ASIC. The provision of a loan to the Directors in respect of the exercise of the Incentive Options may be considered financial assistance for the purposes of the Corporations Act. Accordingly, the Board considers it desirable and appropriate to seek Shareholder approval for the provision of the loans (if any) for the purposes of section 260C(4).

Finally, as all of the Directors have a material personal interest in the Resolution, the Company seeks approval under section 195 of the Corporations Act so that the Shareholders may pass a resolution to deal with this matter.

The following information is provided to Shareholders in accordance with section 219 of the Corporations Act to help Shareholders assess the merits of the proposed Resolution 4.

***The related party receiving the financial benefit***

The related party to whom the proposed Resolution would permit the financial benefit to be given is Mr Avi Kimelman, Mr Louie Simens and Mr Avi Geller, all of whom are Directors.

***The financial benefit being given***

The financial benefit to be given is loans to the Directors (or their nominees) to enable them to exercise their Loan Scheme Options.

The holdings of the Directors and their associates of Shares and Options as at the date of the Notice is as follows:

	<b>Shares</b>	<b>Options*</b>
Avi Kimelman	37,013,846	33,305,336
Louie Simens	36,725,275	22,218,437
Avi Geller	9,230,769	4,615,385

\* Listed Options exercisable at \$0.0325 on or before 31 August 2020.

If the Directors (or their nominees), wish to obtain a loan for the exercising of the above Options, they will first need to apply to the Board for its approval. The Board will then decide whether to grant the loan after considering the Director's past and potential contribution to the growth of the Company, any loans already granted to him (if any), the market price of Shares in comparison to the exercise price of the Options and any other matters which the Board considers are relevant. The Company will only be able to grant a loan to enable the exercise of Options where the volume weighted average price of Shares as listed on ASX for the preceding 20 days is greater than the exercise price of the Options.

***Amount of the financial benefit***

If approval of this Resolution is obtained and the Board decides to grant loans to the Directors or their nominee for all Options covered by this Resolution (as listed above), the total amount loaned would be as follows:

	<b>Total Options</b>	<b>Maximum Loan Amount (\$)</b>
Avi Kimelman	20,000,000	640,000
Louie Simens	20,000,000	640,000
Avi Geller	10,000,000	320,000
<b>Total</b>	<b>50,000,000</b>	<b>\$1,600,000</b>

Notwithstanding the approval of this Resolution, the maximum value of loans that may be provided to the Directors (or their nominee) under this Resolution, whilst they are a person specified in Listing Rule 10.1, may not be equal to or greater than 5% of the Equity Interests of the Company as set out in the latest accounts provided to the ASX at the time the loan is provided. As disclosed in the Company's Interim Financial Report for the half-year ended 31 December 2018, the value of the Equity Interests in the Company is \$8,622,542, with 5% of that figure being \$431,127.10.

The trading history of the Company's shares on ASX in the previous 12 months from the date of this Notice is set out below:

	Price	Date
Highest	\$0.033	31 July and 1-2 August 2019
Lowest	\$0.013	1, 3 and 12 April 2019
Last available	\$0.027	7 August 2019

***Terms of the financial benefit***

The loans will bear interest at the lesser of zero and a rate of interest that the Board reasonably expects will have no adverse taxation impact upon the Company.

The loans will have a term of 3 years from the date the Options are exercised, subject to early repayment in the event that the Director ceases to be a Director or if he, or his nominee as the case may be, sells the Shares obtained using the loan.

Upon expiry of the loan to the Director or their nominee (as the case may be), they will have the choice of either repaying the loan in full or selling the Shares. The Board may extend the period of repayment of the loan where it sees fit. Shares acquired using the loans will be subject to a holding lock which will effectively prevent the Shares from being transferred unless the loan is either repaid or the Shares are sold to enable the loan to be repaid.

The loans will also be of limited recourse in that the total amount under the loan that the Directors or their nominees (as the case may be) will be liable for, including any interest, will be no greater than the value of the Shares acquired under the loan. That is, in the event the Shares obtained under the loan are sold for an amount less than the amount of the loan, the Directors, or his nominee as the case may be, will only be required to repay the loan, including any interest, to the amount of the sale proceeds (in proportion to the number of Shares sold). The Company will have no other recourse against the Directors or their nominees in respect of the balance of the loan and any interest not met by the sale proceeds. In the event that the Shares obtained under the loan are sold for an amount greater than the amount of the loan, the Director would be entitled to any excess of the sale proceeds over the outstanding amount of the loan (in proportion to the number of Shares sold).

Any dividends paid in respect of the Shares acquired using the loans will be automatically directed towards repaying the loan and any interest (subject to a 50% allowance for tax purposes if the dividends are not fully franked). The Director will be also be entitled to exercise any voting rights attached to Shares acquired using the loans as he sees fit.

***Total remuneration package of the related party***

The granting of the loans will form part of the total remuneration packages granted to the Directors. Details of their remuneration packages are set out in Section 1.

***The value of the financial benefit***

The financial benefit that each of the Directors is receiving is a limited recourse loan to fund the exercise of Options to enable them to acquire Shares.

In the event the Shares obtained under the loan are sold for an amount less than the amount of the loan and any interest, the Directors will only be required to repay the loan and any interest to the amount of the sale proceeds (in proportion to the number of Shares sold). In this event, the Directors would receive a financial benefit in the form of the Company forgiving the amount of the loan and any interest that is not repaid using the sale proceeds.

In the event that the Shares obtained under the loan are sold for an amount greater than the amount of the loan and any interest, the Directors would be entitled to any excess of the sale proceeds over the amount of the loan and any interest (in proportion to the number of Shares sold). In this event, the Directors have received a financial benefit as they would be able to earn a capital gain on the Shares obtained by exercising the Options without having to fund the acquisition of the Shares with their own funding or alternatively with a loan from a third party at commercial interest rates. The Directors will have also held the voting rights in the Shares and associated rights for the duration of the loan.

***Current Shares and Options held by related party & dilution effect***

As at the date of this notice, each of the Directors (and their associates) hold the securities in the Company as set out in Section 1.

The dilutionary effect of the exercise of each of the Directors' Options, based on the Company's issued share capital as at the date of the Notice of Meeting and assuming no other Shares are issued nor Options exercised is as follows:

	<b>Total Options</b>	<b>%Dilution</b>
Avi Kimelman	20,000,000	2.12%
Louie Simens	20,000,000	2.12%
Avi Geller	10,000,000	1.07%
<b>Total</b>	<b>50,000,000</b>	<b>5.31%</b>

***Benefits, costs and detriments that loan will have on the Company***

Under the Company's current circumstances, the Directors consider that the incentive to the Directors which would be represented by loans allowing the exercise of Options would be a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

To enable the Company to secure executives and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The financial assistance, is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging the Directors to acquire and retain significant shareholdings in the Company which will align their interests with those of other Shareholders.

As the loan funds are used for payment of the exercise price payable on exercise of the Options, the funds will be immediately returned to the Company in the form of subscription money. The granting of the loans will therefore have no effect on the Company's cashflow (other than in respect of any costs associated with the granting of the loans which are not expected to be material).

Upon issue of the Shares, the Company's books of account will reflect an increase in contributed equity and, until such time as the loan and any interest is repaid, a current asset in the form of the loan and any interest outstanding from the relevant employee. Upon the repayment of the loan and any interest the funds received will be available to the Company as working capital.

The main negative effect the financial assistance may have is where the Shares subject to the loans are sold at a value less than the amount outstanding on the loan and any interest, resulting in the Company not receiving full repayment of the loan and any interest as a result of the limited recourse nature of the loan. The Directors, however, do not consider that such an effect is material due to what the Directors view should be relatively small amounts of the loans (and any interest) and the Company being unlikely to agree to grant a loan where there is a significant risk of downside for the Company. In addition, holders are not likely to be willing to sell the Shares at a loss. It is not therefore expected that the giving of the financial assistance will have any significant effect on the financial position of the Company, although any loss will need to be included in the Company's accounts.

The Directors do not consider that the provision of the loans will materially affect the Company's ability to pay its creditors as it does not involve any actual payments of cash nor does it involve the Company disposing of any assets.

For these reasons, the Directors do not consider that the giving of the financial assistance will be likely to materially prejudice the interests of the Company or Shareholders or the Company's ability to pay its creditors.

The Directors consider that the limited recourse nature of the loan will provide a strong incentive to the holders to exercise the Options and enable the Company to adequately incentivise the holders and encourage them to increase their shareholdings in the Company to align their interests with those of other Shareholders. The limited recourse nature of the loans removes the risk of the holders suffering any loss if Shares acquired by

them are subsequently sold for a value less than their exercise price and any interest on the loan. The Directors therefore consider that the benefits achieved by offering a limited recourse loan exceeds the potential detriment to the Company of the loan and any interest not being fully repaid in the event of a loss on the sale of the Shares.

Other than as described in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences (including any fringe benefit tax) for the Company or benefits foregone by the Company in issuing of the loans to pursuant to this Resolution.

***Recommendation of Directors as to the Resolution***

All of the Directors have a material personal interest in the Resolutions and, accordingly, make no recommendation in respect of the Resolution.

***Other information***

Other than the material set out in this Explanatory Statement, the Directors are not aware of any other information which members of the Company would reasonably require in order to decide whether or not it is in the Company's interest to pass this Resolution.

## Definitions

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

<b>\$</b>	Australian dollars
<b>AEST</b>	Australian Eastern Standard Time
<b>Board</b>	board of Directors of the Company from time to time
<b>Chair</b>	chair of the Meeting
<b>Company or Nova</b>	Nova Minerals Limited ACN 006 690 348
<b>Constitution</b>	Company's constitution
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Closely Related Party (of a member of KMP of an entity)</b>	a spouse or child of the member and otherwise has the meaning given in section 9 of the Corporations Act
<b>Director</b>	director of the Company
<b>ESOP</b>	Nova Minerals Employee Share Option Plan approved by Shareholders on 28 February 2018
<b>Explanatory Statement</b>	explanatory statement that is attached to the Notice
<b>Key Management Personnel or KMP</b>	those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity
<b>Incentive Options</b>	an Option as described in Section 1
<b>Loan Scheme Options</b>	is defined in Section 2
<b>Meeting</b>	the General Meeting of the Company convened by the Notice
<b>Notice</b>	this notice of general meeting
<b>Option</b>	option to acquire a Share
<b>Resolution</b>	a resolution contained in the Notice
<b>Schedule</b>	a schedule to this Notice
<b>Section</b>	a section contained in this Explanatory Statement
<b>Share</b>	fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	shareholder of the Company

## SCHEDULE 1: SUMMARY OF ESOP TERMS

The key terms of the Employee Share Option Plan (**ESOP**) are as follows:

- (a) **Eligibility:** Participants in the ESOP may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,
- who is declared by the Board to be eligible to receive grants of Options under the ESOP or an approved nominee (**Participants**).
- (b) **Administration of ESOP:** The Board (or its delegated authority) is responsible for the operation of the ESOP and has a broad discretion to determine which Participants will be offered Options under the ESOP.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the ESOP. The offer:
- (i) set out the number of Options offered under the ESOP;
  - (ii) will specify the exercise price and expiry date of the Options;
  - (iii) will specify any vesting and exercise conditions and restriction periods applying to the Options (and Shares when Options are exercised);
  - (iv) will specify an acceptance period; and
  - (v) specify any other terms and conditions attaching to the Options.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the ESOP will be issued for no more than nominal cash consideration.
- (e) **Exercise Conditions:** Participants may only exercise vested Options by paying the Exercise Price. Vested Options must be exercised during one of the Company's trading windows (subject to the Company's Trading in Securities Policy). An Option may be made subject to such other exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Cashless exercise facility:** If determined by the Board (in its discretion) and specified in an Invitation, the holder of Options may elect to pay the Exercise Price for an Option by setting off the exercise price against the relevant number of Shares which they are entitled to receive upon exercise or, if the circumstances are deemed appropriate at the time, the Company may cancel or procure the acquisition of the relevant number of vested Options in consideration for the relevant Exercise Price that would have been payable (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off. If a holder elects to use the Cashless Exercise Facility, the holder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the one week period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = O \times \frac{(MSP - EP)}{MSP}$$

Where:

S      Number of Shares to be issued on exercise of the Options.

O      Number of Options.

MSP Market value of the Shares (calculated using the volume weighted average prices at which Shares were traded on the ASX over the one week period immediately preceding the exercise date).

EP Option exercise price.

If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with the above formula) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

- (g) **Loans:** A Participant may apply for loan to fund the exercise of Options in the manner determined by the Board. The loans may bear interest or be interest-free at the discretion of the Board taking into consideration, among other things, the likelihood of adverse taxation consequences for the Company. Upon expiry of the loan to the Participant, they will have the choice of either repaying the loan in full or selling the Shares. The Board may extend the period of repayment of the loan where it sees fit. Shares acquired using the loans will be subject to a holding lock which will effectively prevent the Shares from being transferred unless the loan is either repaid or the Shares are sold to enable the loan to be repaid. The loans will also be of limited recourse in that the total amount under the loan that the participant will be liable for, including any interest, will be no greater than the value of the Shares acquired under the loan. That is, in the event the Shares obtained under the loan are sold for an amount less than the amount of the loan, the participant will only be required to repay the loan, including any interest, to the amount of the sale proceeds (in proportion to the number of Shares sold). The Company will have no other recourse against the participant in respect of the balance of the loan and any interest not met by the sale proceeds. In the event that the Shares obtained under the loan are sold for an amount greater than the amount of the loan, the Participant would be entitled to any excess of the sale proceeds over the outstanding amount of the loan (in proportion to the number of Shares sold).
- (h) **Restriction Periods:** A Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the ESOP and as specified in the Offer for the Option.
- (i) **Change of Control:** All vested Options must be exercised within 30 days of a change of control. Where vesting conditions apply, all unvested Options will vest unless the Board determines otherwise.
- (j) **Lapse of Options:** Subject to this ESOP, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:
- (i) the relevant person ceases to be an employee (permanent or otherwise) of the Company, director of the Company or ceases to provide services to the Company for any reason (including without limitation resignation or termination for cause) unless the reason is due to death, total and permanent disability or redundancy and:
    - (A) any vesting conditions have not been met by the date the relevant person ceases to be a Participant (**Ceasing Date**); or
    - (B) where any vesting conditions have been met by the Ceasing Date or the Option is not subject to any exercise conditions, the Participant does not exercise the Option within a period of three months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
  - (ii) any vesting conditions are unable to be met; or
  - (iii) the expiry date for the Options has passed,
- whichever is earlier.
- (k) **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the ESOP.
- (l) **ESOP limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.



- (m) **Restriction on transfer:** Options will not be transferable except to the extent provided for by the ESOP or unless the Offer provides otherwise.
- (n) **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the ESOP or unless the Offer provides otherwise.
- (o) **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the ESOP) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

## SCHEDULE 2: TERMS OF INCENTIVE OPTIONS

The terms and conditions of the Incentive Options are as follows:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share.
- (b) The exercise price of the Options is \$0.04 each.
- (c) The Options will expire three years from their date of issue (**Expiry Date**).
- (d) The Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the company accompanied by payment of the exercise price and during one of the Company's trading windows (subject to the Company's Trading in Securities Policy).
- (e) In the event of fraud, dishonesty or material misstatement of the financial statements, the Board may make a determination, including lapsing unexercised Options or 'clawing back' Shares acquired on exercise, to ensure that no unfair benefit is obtained by a participant.
- (f) The options are non transferable unless required by law.
- (g) All Shares issued upon exercise of the options will rank *pari passu* in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of the Options.
- (h) There are no participating 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. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders or there is another form of capital reorganisation, the Board retains discretion to adjust the number of Options or the Exercise Price such that holders are no better off or worse off as a result of the reorganisation (subject to compliance with the applicable Listing Rules).

### **SCHEDULE 3: TERMS OF OPTION EXERCISE LOANS**

The key terms of the loans are as follows:

#### **Grant of Loan**

A Director who wishes to exercise Options may make a written request (in the form as may be prescribed by the Company) to the Company, no earlier than the date that the vesting conditions in relation to the Options (if any) are satisfied, for a loan to fund the exercise of the Options (**Loan**) into Shares (**Loan Shares**).

A written request for a Loan must be accompanied by a valid notice of exercise of the Options to be funded by the Loan. The Company will decide within 14 days of receipt of the request for the Loan whether to approve the Loan.

If the Loan is approved, the Company will grant the Director a Loan for an amount of the combined exercise price of all the Options intended to be exercised, such Loan to be used solely to fund the exercise of those Options.

The maximum amount to be loaned to a Director must not exceed the aggregate Exercise Price payable in respect of the Options being exercised or equal or exceed 5% of the Equity Interests in the Company, unless shareholder approval has been obtained under Listing Rule 10.1.

#### **Interest**

No interest will be payable on a Loan to a Director.

#### **Repayment**

The Loan will mature and be repayable by the borrower on the day three years after the grant of the Loan (**Maturity Date**), being the date of exercise of the Options the subject of the Loan. If the Loan is not repaid in full within 14 days of the Maturity Date, the Company may sell those Loan Shares in respect of the matured Loan.

The Board may extend the Maturity Date at its discretion.

Whilst the Loan is not fully repaid, the Borrower irrevocably directs the Company to use: (a) all franked dividends; (b) one half of any unfranked dividend; and (c) any capital returns or other amounts attributable to shareholders, in respect of the Loan Shares towards the reduction of the amount outstanding on the Loan in respect of those Loan Shares. Such repayment shall be used to reduce the amount outstanding in respect of each Share covered by the Loan on a pro rata basis.

In the event the Company announces a renounceable rights issue and the borrower elects to sell his or her rights in respect of any Loan Shares then half of the proceeds from the sale of such rights shall be paid to the Company by way of instalment payment of the Loan in respect of those Loan Shares.

The borrower may elect to arrange for the Loan to be repaid by instalments by way of deduction from the Borrower's salary where approved by, and on terms to be agreed with, the Board.

#### **Early Repayment**

The Borrower may elect to repay the balance of any amount outstanding in respect of the Loan at any time.

If the Borrower: (a) ceases to be employed by or contracted to the Company or ceases to be a Director (including by way of resignation, retirement, dismissal, redundancy or disqualification from office); (b) dies or suffers a permanent disability; or (c) becomes bankrupt, then the Borrower may elect, by serving written notice on the Company within one month to: (d) have the Company buy-back the Loan Shares or sell the Loan Shares and apply the net proceeds of the sale in repayment of the Loan; or (e) repay the outstanding amount on the Loan.

A failure to make an election will allow the Company to either buy-back or sell the Loan Shares in its discretion. The Board may extend the period within which to make an election if the case of a cessation under (a).

#### **Holding Lock and Power of Sale**

Until such time as a Loan is repaid in full (a) the borrower must not mortgage, charge or otherwise encumber the Loan Shares until the Loan is repaid in full, unless it has first obtained the prior approval of the Board, which approval may be withheld at its absolute discretion; (b) the Borrower must not sell or transfer or attempt to sell or transfer the Loan Shares except in accordance with these terms; and (c) a holding lock will be placed on all Loan Shares, and for so long as the holding lock remains in place, the Borrower will effectively be prevented from having the Loan Shares transferred to another person.

The Company may agree to the removal of a holding lock over some or all of the Loan Shares in certain circumstances, including where the Borrower proposes to sell Loan Shares to repay some or all of the Loan.

In the event that the borrower breaches any of these terms and (if such breach is capable of being remedied) fails to remedy such breach within 14 days of written notice, the Board may demand that the Loan be immediately repaid, failing which the Company may sell the Loan Shares in accordance with these terms and apply the net proceeds of the sale accordingly.

### **Security for Loan**

Where requested by the Company, the borrower agrees to grant to the Company a lien, share mortgage or any other security over the Loan Shares as security for the repayment of the Loan. The security shall be in the form as prescribed by the Company.

### **Shares Rights**

Other than in respect of the restrictions contained in these terms, the Loan Shares will rank pari passu with all other fully paid ordinary shares in the Company from the date of issue including in respect of all voting rights and rights under any reconstructions, rights issues and bonus issues.  
The Loan Shares will be subject to the Company's constitution.

### **Bonus Issues**

If shares are issued pursuant to a bonus issue by the Company during the period of the Loan in respect of Loan Shares subject to a Loan, then those bonus shares will be deemed to also be acquired under the Loan and subject to the terms of these terms.

**PROXY FORM**  
**NOVA MINERALS LIMITED**  
**ACN 006 690 348**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:** ☐ the Chair of the Meeting as my/our 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, at the Meeting to be held at Level 17, 500 Collins Street, Melbourne Victoria 3000 on 18 September 2019 at 10:00am (AEST), and at any adjournment thereof.

This proxy is authorized to exercise ..... votes/ ..... % of my/our total voting rights.

☐

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy, please place a mark in the box

By marking this box you acknowledge that the Chair may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will otherwise be disregarded because of that interest and further authorise the Chair to vote undirected proxies, even if the resolution is connected directly or indirectly with the remuneration of the Company's key management personnel. The Chair intends voting undirected proxies in favour of the resolutions in which he is permitted to vote.

**VOTING DIRECTIONS FOR YOUR PROXY**

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We direct my/our proxy to vote as indicated below:

		FOR	AGAINST	ABSTAIN
Resolution 1	Issue of Incentive Options – Avi Kimelman			
Resolution 2	Issue of Incentive Options – Louie Simens			
Resolution 3	Issue of Incentive Options – Avi Geller			
Resolution 4	Financial Assistance to Directors			

<b>If a person:</b>  _____ (Signature)  _____ Name (print)  Date: ____/____/____	<b>If a company:</b>  EXECUTED by: _____ Name of company (print)  in accordance with the Corporations Act  _____ (Signature) _____ Date: ____/____/____ (Signature)
--	---

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged by 10:00am (AEST) on 16 September 2019, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be:

- by mail to Level 17, 500 Collins Street, Melbourne VIC 3000; or
- personally at Level 17, 500 Collins Street, Melbourne VIC 3000; or
- by facsimile on +61 3 9614 0550.