



**ACN 062 284 084**

**NOTICE OF GENERAL MEETING**

**and**

**EXPLANATORY MEMORANDUM**

Notice is given that the Meeting will be held at:

**TIME:** 1.00 pm AEDST

**DATE:** Friday, 22 October 2021

**PLACE:** Virtual Meeting

The business of the Meeting affects your shareholding and your vote is important.

This General Meeting will be a virtual meeting, which will be conducted online on Friday, at 1.00 pm (AEDST) on 22 October 2021.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 1.00 pm AEDST on 20 October 2021.

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## **BUSINESS OF THE MEETING**

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### **AGENDA**

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#### **1. RESOLUTION 1 – SHARE CONSOLIDATION**

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

*"That, subject to all other Resolutions in this Notice being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued share capital of the Company be consolidated on the terms and conditions in the Explanatory Statement, on the basis that every ten (10) Shares be consolidated into one (1) Share and, where this Share Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole security."*

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#### **2. RESOLUTION 2 – SHARE ISSUE FOR THE DEBT CONVERSION**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the conversion of debts to 3,775,000 fully paid ordinary Shares at a deemed issue price of A\$0.40 per Share after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

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#### **3. RESOLUTION 3 – NEW SHARE SUBSCRIPTIONS**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the issue of 13,000,000 fully paid ordinary Shares at an issue price of A\$0.001 per Share after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

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#### **4. RESOLUTION 4 – SHARE ISSUE TO DATUK SIAK WEI LOW**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the issue of 3,622,000 fully paid ordinary Shares to Datuk Siak Wei Low (or his nominees) after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

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**5. RESOLUTION 5 – SHARE ISSUE TO CHEE CHEONG (DAVID) LOW**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the issue of 4,088,000 fully paid ordinary Shares to Chee Cheong (David) Low (or his nominees) after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

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**6. RESOLUTION 6 – SHARE ISSUE TO PETER YEE MING NG**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the issue of 240,000 fully paid ordinary Shares to Peter Yee Ming Ng (or his nominees) after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

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**7. RESOLUTION 7 – SHARE ISSUE TO NOEL ONG**

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

*"That, subject to all other Resolutions in this Notice being passed, Shareholders approve the issue of 4,000,000 fully paid ordinary Shares to Noel Ong (or his nominees) after completion of Resolution 1, on the terms and conditions in the Explanatory Statement."*

**Dated: 30 September 2021**

**By order of the Board**

**Datuk Siak Wei Low**  
**Chairman**

## Voting in person

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Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the General Meeting the subject of this Notice of Meeting as a virtual meeting, in a manner that is consistent with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021.

Please refer to the cover letter of this Notice in which, in light of COVID-19, the Directors provide that Shareholders will not be able to physically attend the meeting. The Board encourages all Shareholders to submit their votes through proxy voting forms **prior to the Meeting** and to participate in an online meeting.

## Venue and Voting information

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The Meeting to which this Notice relates will be held on Friday, at 1.00 pm (AEDST) on 22 October 2021 as a virtual meeting.

The Company is pleased to provide Shareholders with the opportunity to attend and participate in the virtual meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on “register” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](https://investor.automic.com.au)
2. Login with your username and password or click “register” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the virtual meeting.**
3. After logging in, a banner will display at the bottom of your screen to indicate that the Meeting is open for registration, click on “Register” when this appears. Alternatively, click on “Meetings” on the left-hand menu bar to access registration.
4. Click on “Register” and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote live on a poll and ask questions at the virtual meeting. For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

**Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.**

If you wish to ask the Chair a question with regards to the business of the Meeting, please submit your question in writing to the Company at [reception@syngas.com.au](mailto:reception@syngas.com.au) at least 48 hours before the commencement of the Meeting. Shareholders will also have the right to speak (including a right to ask questions) at the Meeting. Attendees at the meeting will be advised by the Chair that if they wish to ask a question orally they can request to do so by typing it into the Zoom Q&A. The registry person managing the meeting will then unmute that attendee at the appropriate time.

Attending the Meeting online enables Shareholders to view the Meeting and to cast votes live on a poll on the Resolutions at the appropriate times whilst the Meeting is in progress.

*Your vote is important*

The business of the Meeting affects your shareholding, and your vote is important.

## **Voting by proxy**

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To vote by proxy, please use one of the following methods:

### *Online*

Lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN). Since the Company is no longer listed on the Australian Securities Exchange, your old Holder Identification Number (HIN) is no longer valid. You should receive your new SRN shown on the front of the Proxy Form.

For further information on the online proxy lodgement process please see the Online Proxy Lodgement Guide at <https://www.automicgroup.com.au/virtual-agms/>

### *By post*

Automic, GPO Box 5193, Sydney NSW 2001

### *By email*

Completing the Proxy Form and emailing it to: [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. Proxy Forms received later than this time will be invalid.

Given the current climate around the global COVID-19 pandemic, the Directors strongly encourage all Shareholders to lodge directed proxy forms prior to the Meeting.

## **Power of Attorney**

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

## **Corporate Representatives**

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If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

## **VOTING EXCLUSIONS**

The Corporations Act require that certain persons must not vote, and the Company will disregard any votes cast in favour by or on behalf of certain persons and their associates, on the Resolutions to be considered at the Meeting. However, the Company need not disregard a vote if it is cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will disregard any votes cast in favour on a Resolution as set out in the table below:

<b>Resolution</b>	<b>Nature of Resolution</b>	<b>Persons excluded from voting</b>
1	Share Consolidation	None
2	Conversion of Debt to Equity	Datuk Siak Wei Low, or any associates of Datuk Siak Wei Low
3	Issue of New Subscription Shares	Datuk Siak Wei Low, Chee Cheong (David) Low, Peter Ng and Noel Ong or any of their associates
4	Issue of shares to Datuk Siak Wei Low	Datuk Siak Wei Low, or any associates of Datuk Siak Wei Low
5	Issue of shares to Chee Cheong (David) Low	Chee Cheong (David) Low, or any associates of Chee Cheong (David) Low
6	Issue of shares to Peter Yee Ming Ng	Peter Ng, or any associates of Peter Ng
7	Issue of shares to Noel Ong	Noel Ong, or any associates of Noel Ong

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Terms and abbreviations used in this Notice are defined in the Glossary.

### 1. SUMMARY OF THE PROPOSALS

#### 1.1 Background

The Company was previously listed on the Australian Securities Exchange (**ASX**) under the stock code “SYS” and was involved in various projects from synthetic gas conversion technology to mineral exploration. On 23 June 2020, the Company applied to ASX to be removed from the Official List of the ASX pursuant to ASX Listing Rule 17.11 in order to pursue the acquisition of the Jumbuck Gold Project in South Australia. However, the proposed Jumbuck Gold Project acquisition was not successful due to the non-approval by Shareholders of the vendor.

As at 30 June 2021, the Company has total share capital of \$36,960,055 and accumulated losses of \$40,258,120 which gives rise to a negative NTA of \$3.3 million with total debts of approximately \$3 million. Datuk Siak Wei Low, the Non-Executive Chairman and substantial Shareholder of Taiton together with his related companies have been supporting the Company by providing loan facilities totalling \$3,950,000. Total accumulated interest up to 30 June 2021 was \$790,521.

Since the unsuccessful acquisition of the Jumbuck Gold Project, Taiton has been seeking out various resources project in order to seek re-listing on the ASX. In January 2021, Taiton acquired 100% of Lake Barlee Gold Pty Ltd, which holds 624 square kilometres of exploration tenements near Southern Cross in Western Australia with gold prospectivity. Taiton also entered into acquisition agreements for 1,132 square kilometres of tenements/exploration permits in South West South Australia with a promising molybdenum prospect. In addition, Taiton has also applied for exploration permits for 1,881 square kilometres of exploration ground in South West South Australia near the Challenger Mines (collectively referred to herein as “**Current Projects**”). The acquisitions of the Current Projects were paid by cash drawn from existing loan facilities provided by companies related to Datuk Siak Wei Low. Details of the Current Projects are set out below.

The Company is considering applying to the ASX for the admission of the Company's securities to the Official List of the ASX. The Company gives no guarantee as to the timing of any such application, or that any application will ultimately be made or be successful.

With the Current Projects, Taiton would need to restructure its financial position in order to meet the ASX's listing requirements for listing on the ASX, which amongst other things, include having minimum net tangible assets (**NTA**) of \$4 million under the “Assets Test”. Accordingly, Taiton is proposing to undertake the following restructuring proposals:

#### 1.2 Share Consolidation

In order to restructure the Company in preparation for listing on the ASX, the Company will reduce its existing Shares on issue from 61,144,123 to 6,114,412 (subject to rounding) (**Share Consolidation**).

### 1.3 Debt Forgiveness and Debt Conversion

Loan Facilities	Limit	30-06-21 Drawn	Post 30-6-2021 To be drawn	Interests Accrued
Datuk Siak Wei Low and related parties	\$3,950,000	\$2,090,000	\$560,000	\$765,606
Third parties	\$170,000	\$170,000	-	\$24,915
	<u>\$4,120,000</u>	<u>\$2,260,000</u>	<u>\$560,000</u>	<u>\$790,521</u>
Creditors		\$860,636	-	-
		<u>\$3,120,636</u>		

Taiton has reached an agreement with its financiers to forgive all interests accrued which amounted to \$790,521 as at 30 June 2021. A total of \$1,510,000 of the loan facilities were drawn and utilised for previous projects/proposals and will be converted into 3,775,000 new Taiton Shares (**Debt Conversion Shares**). The creditors of the Company, have agreed to fully forgive \$860,636 of debt owing (comprising mainly of directors' fees).

A summary of the debt conversion and Share issue are set out below:-

Loan facilities	Waiver/ Forgiven	Debts incurred for old projects	New shares to be issued*
Datuk Siak Wei Low and related parties	\$765,606	\$1,340,000	3,350,000
Third parties	\$24,915	\$170,000	425,000
	<u>\$790,521</u>	<u>\$1,510,000</u>	<u>3,775,000</u>
Creditors	\$860,636	860,636	-
	<u>\$1,651,157</u>	<u>\$2,225,551</u>	<u>3,775,000</u>

*\* - New Shares issued at a deemed issue price of \$0.40 per Share (total debt of \$1.51 million converted into 3,775,000 shares). The un-audited NTA of Taiton as at 30 June 2021 was negative \$3.3 million.*

The debt forgiveness will result in writing back expenses of approximately \$1.65 million whilst the debt conversion will add \$1.51 million to the NTA of Taiton.

The remaining loan facilities which were drawn/to be drawn for the Current Projects as well as to finance the proposed listing on the ASX will remain and will be proposed to be converted to new Taiton Shares at a later date upon approval of the ASX for the listing of Taiton on the ASX. A separate general meeting will be held at a later date to seek the approval of Shareholders for the proposed listing of Taiton, subject to receipt of ASX in-principle advice as to the Company's suitability for listing.

### 1.4 New Share Subscriptions

After the Share Consolidation and in conjunction with the issuance of the Debt Conversion Shares, Taiton will offer certain creditors of the Company who waived their debts to the Company to subscribe for up to 1,000,000 new Taiton Shares at \$0.001 per share. In addition, Taiton will issue 12,000,000 new Shares at \$0.001 per Share (**Management Shares**) to the proposed management team of Taiton who have been working to secure projects for Taiton and will be managing the listing process of Taiton and subsequently upon listing on the ASX, be the management team for Taiton.

The new management team is currently drawing none or nominal fees whilst the Company seeks to relist on the ASX. The new management team will enter into service agreements with the Company is due course upon receipt of ASX in-principle approval for the listing of Taiton.



Details of the new Share issue are as follows :-

	<b>New Shares</b>	<b>Status</b>
Datuk Siak Wei Low	272,000	Current Non-Executive Chairman - continuing
Chee Cheong (David) Low *	4,088,000	Executive Director – continuing
Peter Ng	240,000	Existing Director to retire prior to IPO
Noel Ong *	4,000,000	Proposed Managing Director
Kah Hui Tan *	4,000,000	Proposed Joint Company Secretary
Other creditors	400,000	
<b>Total New Subscription Shares</b>	<b>13,000,000</b>	

*\*New Management Team to be issued the Management Shares*

The profiles of Noel Ong and Kah Hui Tan is set out in Schedule 1.

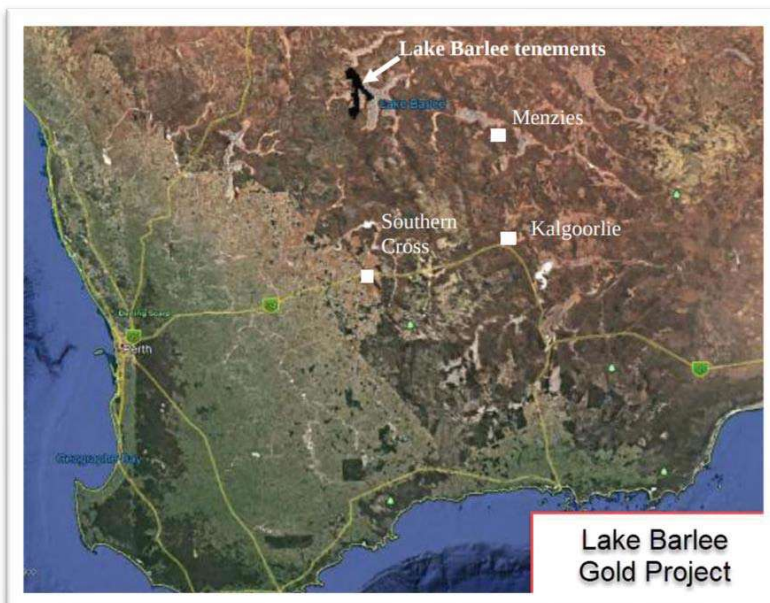
The issue price for the New Subscription Shares (being \$0.001 per Share) was arrived at taking into consideration the negative NTA of Taiton after the restructuring as well as the remaining debt owing of \$1.2 million and tenement commitments of the Current Projects.

## 2. Details of the Current Projects

### 2.1 Lake Barlee Gold Project

The acquisition of Lake Barlee Gold Pty Ltd was completed in January 2021 for cash payment of \$100,000, fully satisfied from loan facilities provided by companies related to Datuk Siak Wei Low. The Lake Barlee Gold Project (LBGP) consists of four large tenements that straddle Lake Barlee, which is located in the Yilgarn about 240 kilometres north of Southern Cross. The tenements consist of adjoining tenements which together total about 675 square kilometres.

Access to the southern tenements (E77/2700 and E77/2715) is via the all-weather bitumen and gravel road from Southern Cross via Evanston and Diemals (both abandoned), and to the northern tenements (E57/1158 and E57/1168) by bitumen and gravel from Menzies via Perrinvale and Cashmere Downs (abandoned). Although there some station roads in generally good condition, access within the tenements is limited and it is difficult and time consuming to travel from the southern to

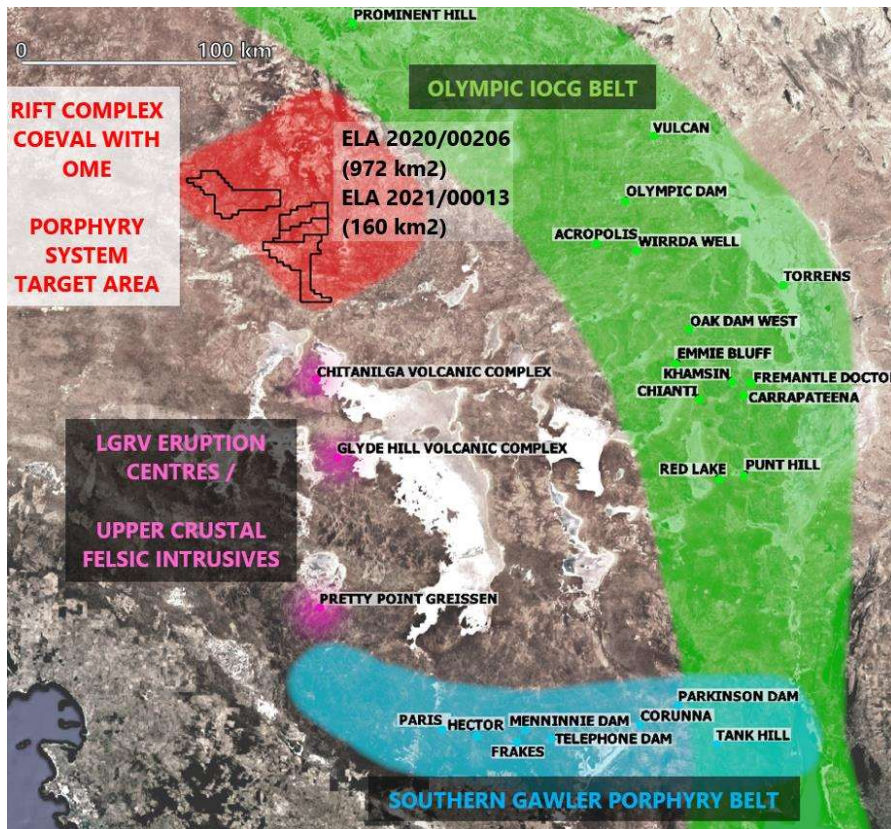


the northern tenements. The tenements are located within the so-called Youanmi Terrane, a tectono-stratigraphic subdivision of the Archaean Yilgarn Craton. The Eastern tenements E57/1158 and E77/2715 straddle the south-east trending Yuinmery Shear Zone, whilst the western tenements E57/1168 and E77/2700 straddle an attenuated sliver of Youanmi Terrane greenstones wedged between two granite batholiths.

## 2.2 South Australia Merino Project

The South Australia Merino Project comprises 1 Exploration Tenements and 3 Exploration Tenement Application covering approximately 3,103 square kilometres in the Gawler Craton, South Australia. 2 tenements comprising ELA 2020/00206 and ELA, 021/00013 were acquired at \$100,000 cash payment upon grant of tenement by the SA Mines Department and 2 million Taiton shares upon listing on the ASX.

Historical drill logs indicate that Lower Gawler Range Volcanics (LGRV) are interlayered with sediments currently classified to older stratigraphic units. Target evaluation finds that the Merino Prospect has hallmarks of a large-scale Mo Porphyry overlooked by prior explorers. The target style of Mo Porphyry further supports interpretation of the area for extension /rifting.



Merino Projects comprising ELA 2020/00206 and ELA, 021/00013

Taiton has also applied for 2 other tenements near the above tenements measuring 1.88 square kilometres.

## 3. Pro forma Statement of Financial Position

A pro-forma statement of financial position of the Company following completion of the Restructuring and New Share Subscription (**Completion**) is set out in Schedule 2.

#### 4. Pro forma Capital Structure

A summary of the proposed capital structure upon completion of the proposals are as follows :

	<b>Total</b>		
Existing no of shares			61,144,123
After Share Consolidation			6,114,412
<b>To be issued for</b>	<b>Debt Conversion</b>	<b>New Subscription</b>	
Datuk Siak Wei Low and related parties	3,350,000	272,000	3,622,000
Other creditors	425,000	400,000	825,000
Chee Cheong (David) Low	-	4,088,000	4,088,000
Peter Ng	-	240,000	240,000
Noel Ong	-	4,000,000	4,000,000
Kah Hui Tan	-	4,000,000	4,000,000
	3,775,000	13,000,000	16,775,000
Enlarged share capital			22,889,412

#### 5. Advantages and Disadvantages

##### Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1-7:

- The Company's NTA is currently in negative and the Company is financially supported by loans facilities provided by Datuk Siak Wei Low. If the debt conversion and interest waiver are not implemented, the Company would need to raise additional funds to repay the debts owing.
- The debt conversion and interest waiver would assist in reversing the negative NTA via the writeback of interest accrued, which was never paid, and converting loan principal into new Taiton Shares at a deemed issue price of 40c per Share.
- The Proposals are part of the restructuring of the Company in order to meet the ASX Listing Rules of having minimum net tangible assets of \$4 million under the "Assets Test" of the ASX Listing Rules.
- The Proposals will be a critical step towards introducing a management team led by Noel Ong, who has more than 30 years of experience as an exploration geologist as well as corporate experience in managing ASX listed companies.

##### Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1-7:

- Current Shareholders will have their voting power in the Company diluted.

- (b) The creditors and new management will own up to 79.54% of the Shares on issue in the Company upon completion of the restructuring.
- (c) There is no guarantee that the Current Projects will be successful.
- (d) In connection with the Current Projects, the Company is required to engage advisors, lawyers and experts to facilitate and report on the IPO, which represent sunk, but necessary costs to the Company.

## **6. Shareholder Approvals**

The Company is seeking the following Shareholder approvals under this Notice:

### **(a) Resolution 1 – Share Consolidation**

#### ***General***

Resolution 1 seeks Shareholder approval for the Company to undertake a consolidation of its Share capital on a ten (10) for one (1) basis.

The purpose of the Share Consolidation is to implement a more appropriate capital structure in preparation for its proposed listing on the ASX.

If Resolution 1 is passed (and excluding any Shares issued pursuant to the other Resolutions), the number of Shares on issue will be reduced from 61,144,123 to 6,114,412 (subject to rounding), with immediate effect.

#### ***Legal requirements***

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

#### ***Fractional entitlements***

Not all Shareholders will hold that number of Shares which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

#### ***Taxation***

It is not considered that any taxation implications will exist for Shareholders arising from the Share Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Share Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Share Consolidation.

#### ***Holding statements***

From the date of the Share Consolidation, all holding statements for securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Share Consolidation basis.

After the Share Consolidation becomes effective, the Company will arrange for new holding statements for securities to be issued to holders of those securities.

It is the responsibility of each Shareholder to check the number of securities held prior to disposal or exercise (as the case may be).

***Effect on capital structure***

The approximate effect which the Share Consolidation will have on the Company's capital structure is set out in the table below (assuming all other Resolutions are approved).

	<b>Total</b>
Existing no of shares	61,144,123
Post Consolidation of shares	6,114,412
Debt Conversion Shares	3,775,000
New Share Subscription	13,000,000
Enlarged share capital	<hr/> 22,889,412 <hr/>

***Additional information***

Resolution 1 is an ordinary Resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

**(b) Resolution 2 – Conversion of Debt to Equity*****General***

The Company has reached an agreement with its financiers to convert the entire principal amount of the loan facilities of \$1,510,000 into 3,775,000 new Shares in the Company after the Share Consolidation. All interests accrued for the loan facilities will be forgiven by the financiers and no interest on the loan facilities has been paid to date.

The Debt Conversion Shares will be issued at a deemed price of \$0.40 per Share. The Debt Conversion Shares will rank equally with all existing Shares.

Resolution 2 seeks the approval of Shareholders to issue 3,775,000 new Shares (after the Share Consolidation) to convert existing \$1,510,000 loan facilities into equity in the Company. Of the Debt Conversion Shares, 3,350,000 will be issued to an existing director and substantial Shareholder of the Company, Datuk Siak Wei Low (and/or his nominees) for forgiving all the interests of his loan facilities. The remaining 425,000 Debt Conversion Shares will be issued to a third-party financier.

***Additional information***

Resolution 1 is an ordinary Resolution.

The Board (with Datuk Siak Wei Low abstaining) recommends that Shareholders vote in favour of Resolution 2.

(c) **Resolution 3 – Issue of New Subscription Shares**

**General**

As at 30 June 2021, the Company has current liabilities of \$860,636, which consists mainly of outstanding directors' fees. The directors/creditors have agreed to waive all the outstanding amounts owing by the Company. The Company proposes to invite these creditors to subscribe for up to 1,000,000 new Shares in the Company at an issue price of \$0.001 per Share.

The new management team which will manage the listing and subsequently be running the operations of Taiton will be invited to subscribe for 12,000,000 new Shares in the Company at an issue price of \$0.001 per Share.

All the 13,000,000 new Shares to be issued shall rank equally with all existing Shares.

Resolution 3 seeks approval of shareholders to issue 13,000,000 new shares (after Share Consolidation) at an issue price of \$0.001 per share.

**Additional information**

Resolution 3 is an ordinary Resolution.

The Board (with Datuk Siak Wei Low, Chee Cheong (David) Low and Peter Ng abstaining) recommends Shareholders vote in favour of Resolution 3.

(d) **Resolution 4 – Issue of Shares to Datuk Siak Wei Low**

**General**

Resolution 4 seeks Shareholder approval for the issue of 3,350,000 new Taiton Shares under the debt conversion in Resolution 2 and 272,000 new Taiton Shares to under Resolution 3 to Datuk Siak Wei Low (or his nominees).

**Legal requirements**

Datuk Siak Wei Low is a Director of the Company and therefore a related party of the Company by virtue of section 228(2) of the Corporations Act.

The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act unless an exception can be relied upon.

One relevant exception to the general prohibition is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length). As Datuk Siak Wei Low will be issued with securities at a value far exceeding the net asset of the Company, the Independent Directors of the Board have resolved that this requirement is satisfied.

Datuk Siak Wei Low has been supporting the Company financially by providing loan advances to the Company and did not draw any directors fees from the Company. Datuk Siak Wei Low's support of the Debt Conversion and New Share Subscription were negotiated between Datuk Siak Wei Low and the Board at arm's length, and the Independent Directors of the Board determined that the proposed issue of Shares to Datuk Siak Wei Low was reasonable in the circumstances. In making this determination, it was taken into account the fact that the agreement between the Company and Datuk Siak Wei Low regarding the proposed issue of the Shares was reasonable in order for the restructuring of the Company to be successful and was negotiated at arm's length at the time to achieve the best available commercial result for the Company.

***Additional information***

Resolution 4 is an ordinary Resolution.

The Independent Directors of the Board recommend Shareholders vote in favour of Resolution 4.

(e) **Resolution 5 – Issue of Shares to Chee Cheong (David) Low**

***General***

Resolution 5 seeks Shareholder approval for the issue of 4,088,000 fully paid ordinary Shares in the Company at an issue price of \$0.001 per Share comprising part of the New Subscription Shares in Resolution 3. These Shares will be issued to Chee Cheong (David) Low (or his nominees).

***Legal requirements***

Chee Cheong (David) Low is a Director of the Company and therefore a related party of the Company by virtue of section 228(2) of the Corporations Act.

The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act unless an exception can be relied upon.

One relevant exception to the general prohibition is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length). As Chee Cheong (David) Low will be issued with Shares at a value exceeding the net asset of the Company and has agreed to waive all outstanding fees as at 30 June 2021, the Independent Directors of the Board have resolved that this requirement is satisfied.

Chee Cheong (David) Low has been supporting the Company by agreeing to waive his outstanding director's fees up to 30 June 2021 and will draw minimal salary whilst preparing the Company for listing on the ASX. The terms of the New Share Subscription for Chee Cheong (David) Low's were negotiated between Chee Cheong (David) Low and the Board at arm's length, and the Independent Directors of the Board have determined that the proposed issue of shares to Chee Cheong (David) Low was reasonable in the circumstances. In making this determination, it was taken into account the fact that the agreement between the Company and Chee Cheong (David) Low regarding the waiving of all outstanding directors fees, minimal remuneration pending the listing of the Company on the ASX and efforts in securing the Current Projects.

***Additional information***

Resolution 5 is an ordinary Resolution.

The Independent Directors of the Board recommend Shareholders vote in favour of Resolution 5.

(f) **Resolution 6 – Issue of Shares to Peter Yee Ming Ng**

***General***

Resolution 6 seeks Shareholder approval for the issue of 240,000 fully paid ordinary Shares in the Company at an issue price of \$0.001 per Share comprising part of the New Subscription Shares in Resolution 3. These Shares will be issued to Peter Yee Ming Ng (or his nominees).

### ***Legal requirements***

Peter Yee Ming Ng is a Director of the Company and therefore a related party of the Company by virtue of section 228(2) of the Corporations Act.

The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act unless an exception can be relied upon.

One relevant exception to the general prohibition is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length). As Peter Yee Ming Ng will be issued with Shares at a value exceeding the net asset of the Company and has agreed to waive all outstanding fees as at 30 June 2021, the Independent Directors of the Board have resolved that this requirement is satisfied. Further, in respect of the issue of the New Subscription Shares under Resolution 6, the Independent Directors of the Board consider that the issue of the New Subscription Shares to Peter Yee Ming Ng are a reasonable and appropriate method to provide cost-effective compensation for waiving all his directors fee owing. 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 provided to Peter Yee Ming Ng and, as such, the giving of the financial benefit is considered by the Independent Directors of the Board as reasonable remuneration and within the exception in section 211 of the Corporations Act.

### ***Additional information***

Resolution 6 is an ordinary Resolution.

The Independent Directors of the Board recommend Shareholders vote in favour of Resolution 6.

## **(g) Resolution 7 – Issue of Shares to Noel Ong**

### ***General***

Resolution 7 seeks Shareholder approval for the issue of 4,000,000 new Shares in the Company at an issue price of \$0.001 per Share comprising part of the New Subscription Shares in Resolution 3. These shares will be issued to Noel Kok Jin Ong (or his nominee).

### ***Legal requirements***

Noel Kok Jin Ong is a Proposed Director of the Company and therefore a related party of the Company by virtue of section 228(6) of the Corporations Act.

The giving of a financial benefit to a related party of a public company is ordinarily prohibited by Chapter 2E of the Corporations Act unless an exception can be relied upon.

One relevant exception to the general prohibition is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms less favourable than arm's length). As Noel Kok Jin Ong will be issued with Shares at a value exceeding the net asset of the Company, the Independent Directors of the Board have resolved that this requirement is satisfied.



The terms of the New Share Subscription for Noel Kok Jin Ong were negotiated between Noel Kok Jin Ong and the Board at arm's length, and the Independent Directors of the Board have determined that the proposed issue of Shares to Noel Kok Jin Ong was reasonable in the circumstances.

***Additional information***

Resolution 7 is an ordinary Resolution.

The Independent Directors of the Board recommend Shareholders vote in favour of Resolution 7.

## GLOSSARY

<b>\$ or A\$</b>	means Australian dollars unless otherwise specified.
<b>ASX</b>	means Australian Securities Exchange or ASX Limited (ACN 008 624 691), as the context requires.
<b>ASX Listing Rules or Listing Rules</b>	means the official listing rules of the ASX.
<b>Board</b>	means all or some of the Directors acting as the board of Directors of the Company.
<b>Chairman</b>	means chairman of the Annual General Meeting.
<b>Closely Related Party</b> of a member of the Key Management Personnel	means: <ul style="list-style-type: none"> <li>(a) a spouse or child of the member;</li> <li>(b) a child of the member's spouse;</li> <li>(c) a dependent of the member or the member's spouse;</li> <li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li> <li>(e) a company the member controls; or</li> <li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).</li> </ul>
<b>Company</b>	means Taiton Resources Limited (ACN 062 284 084).
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Statement</b>	means the explanatory statement that accompanies and forms part of this Notice.
<b>Independent Directors</b>	means Daniel Polette and Eric Teo.
<b>Meeting or General Meeting</b>	means the general meeting convened by this Notice.
<b>Notice or Notice of Meeting</b>	means this notice of general meeting which incorporates the Explanatory Statement and the Proxy Form.
<b>Official List</b>	means the Official List of the ASX.
<b>Proxy Form</b>	means the proxy form that is enclosed with and forms part of this Notice.
<b>Resolution</b>	means a resolution set out in this Notice.

<b>Share</b>	means a fully paid ordinary share in the issued capital of the Company.
<b>Share Registry</b>	means Automic Pty Ltd
<b>Shareholder</b>	means a registered holder of a Share in the Company.
<b>AEDST</b>	means Australian Eastern Daylight Saving Time.

## **SCHEDULE 1 – PROFILES**

### **Noel Ong**

#### **Proposed Managing Director**

Noel Ong is a geologist with over 30 years of experience in the resource industry. He has extensive mineral exploration and project management experience in the gold, lithium, iron ore (hematite and magnetite), tantalum and the diamond industry. Since 1992, Noel has worked predominantly in the goldfields of Western Australia, Pilbara iron ore fields and the Northern Territory. He has worked with Ashton Mining, Great Central Mines, and held management roles with API Management, Galaxy Resources, Citic Pacific Mining and Silver Lake Resources. Noel is a member of the AusIMM and the Australian Institute of Geoscientists.

### **Kah Hui Tan**

#### **(Proposed Joint-Company Secretary**

Kah Hui Tan is a Chartered Accountant with over 25 years' experience including managing his own chartered accounting practice providing management, accounting and taxation advice to a wide range of clients including clients in the mining industry. He has served as a company director and company secretary on several listed companies engaged in the mining and resources sector in Australia.

## SCHEDULE 2 – PRO FORMA BALANCE SHEET

The effects of the Proposals are illustrated in the pro forma balance sheet of the Company set out below. The pro forma balance sheet uses the Company's unaudited balance sheet as at 30 June 2021 as the base accounts.

	Unaudited 30-Jun-21 \$	Pro forma 30-Jun-19 \$
<b>Current Assets</b>		
Cash and cash equivalents	\$586,926	\$599,926
Total Current Assets	<u>\$586,926</u>	<u>\$599,926</u>
<b>Non-Current Assets</b>		
Plant and equipment	\$0	\$0
Exploration assets	\$43,238	\$43,238
Total Non-Current Assets	<u>\$43,238</u>	<u>\$43,238</u>
<b>Total Assets</b>	<u><b>\$630,164</b></u>	<u><b>\$643,164</b></u>
<b>Current Liabilities</b>		
Trade and other payables	\$877,707	\$17,071
Borrowings	\$3,050,522	\$750,000
<b>Total Current Liabilities</b>	<u><b>\$3,928,228</b></u>	<u><b>\$767,071</b></u>
<b>Total Liabilities</b>	<u><b>\$3,928,228</b></u>	<u><b>\$767,071</b></u>
<b>Net Assets</b>	<u><b>-\$3,298,065</b></u>	<u><b>-\$123,907</b></u>
<b>Equity</b>		
Contributed equity	\$36,960,055	\$38,483,055
Accumulated losses	-\$40,258,120	-\$38,606,962
<b>Total Equity</b>	<u><b>-\$3,298,065</b></u>	<u><b>-\$123,907</b></u>