

# CAPE RANGE LTD



ABN 43 009 289 481

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## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 2:00 pm AEST  
**DATE:** 30 July 2020  
**PLACE:** C/- Hall Chadwick  
Level 40  
2 Park Street  
Sydney NSW 2000

Due to uncertainty regarding the level of COVID-19 related travel restrictions around the time of the Meeting, the Company has determined that Shareholders will have the opportunity to either participate in the Meeting virtually through an online platform or attend the Meeting in person.

More information regarding online participation at the Meeting is set out in the Virtual Attendance Instructions included in page 1 of the Notice of Meeting.

All Resolutions will be determined by poll.

***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.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 42 999 5000.***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2:00 pm AEST on Thursday 30 July 2020 at:

C/- Hall Chadwick  
Level 40  
2 Park Street  
Sydney NSW 2000

**Due to uncertainty regarding the level of COVID-19 related travel restrictions around the time of the Meeting, the Company has determined that Shareholders will have the opportunity to either participate in the Meeting virtually through an online platform or attend the Meeting in person.**

### VIRTUAL ATTENDANCE INSTRUCTIONS

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Shareholders wishing to virtually attend the Meeting (including voting and asking questions online during the Meeting) can do so by following the below instructions:

- Please login to the virtual Meeting platform at [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) using your Meeting ID and Shareholder ID which are provided in the table printed in the top corner of your Proxy Form.
- Only Shareholders virtually attending the Meeting will be able to participate in online voting.
- Voting on each Resolution will occur by a poll rather than by a show of hands. Online voting will only be enabled upon the Chairman's instructions at the Meeting. Shareholders attending the Meeting virtually will then have only 10 minutes to cast their votes online, after which, the poll will be closed.
- Shareholders attending the Meeting virtually will be able to ask questions at the Meeting. The Q&A facility will be enabled at the commencement of the Meeting. Should Shareholders attending virtually have any questions during the Meeting, please type the questions into the Meeting platform by clicking on the Q&A button.
- For Shareholders who have more than one shareholding, the login details for each shareholding will be provided on each Proxy Form. Shareholders who wish to vote all their shareholdings in the poll, will need to login individually and separately vote for each shareholding.

## **YOUR VOTE IS IMPORTANT**

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

### **VOTING ELIGIBILITY**

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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 5:00 pm AEST on 28 July 2020.

### **VOTING IN PERSON (INCLUDING BY VIRTUAL ATTENDANCE)**

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To vote in person, either attend the Meeting at the time, date and place set out above or attend the Meeting virtually. Please refer to the virtual attendance instructions on page 1.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details are set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and

- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Director's Report and the Auditor's Report.

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

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

*"That, the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Statement."*

##### **Voting Exclusion**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above;

or

- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 - RE-ELECTION OF MR GARY LIM

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

*"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Gary Lim, a Director who retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 - RE-ELECTION OF MR MICHAEL HIGGINSON

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

*"That, for the purpose of clause 14.2 of the Constitution and for all other purposes, Mr Michael Higginson, a Director who retires by rotation, and being eligible, is re-elected as a Director."*

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#### 5. RESOLUTION 4 – APPROVAL FOR 10% PLACEMENT FACILITY

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

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

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**6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair of the Meeting for identification purposes.”*

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**DATED: 25 JUNE 2020**

**BY ORDER OF THE BOARD**

**MICHAEL HIGGINSON  
DIRECTOR/COMPANY SECRETARY**

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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 which are the subject of the business of the Meeting.

A Proxy Form is enclosed.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include the receipt and consideration of the Annual Report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Directors' Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. A copy of the Company's Annual Report can be obtained at [www.caperange.com.au](http://www.caperange.com.au).

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

Section 250R(2) of the Corporations Act provides that a listed company is required to put the remuneration report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Director and Executive Remuneration Act)* which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced sections 250U and 250Y, amongst others, into the Corporations Act, giving shareholders the opportunity to remove the board if the remuneration report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the remuneration report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the company will be required to put to shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election (**Spill Resolution**).

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

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

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**3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR GARY LIM**

Clause 14.2 of the Constitution provides that at each annual general meeting one third of the Directors shall retire from office (or if their number is not a multiple of 3, then the number nearest one-third rounded upwards in case of doubt), provided always that no director except a managing director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his/her appointment. A retiring director is eligible for re-election.

Pursuant to Resolution 2, *Mr Gary Lim* retires in accordance with the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

Details of the qualifications and experience of Mr Lim are as follows:

Mr Lim is a fellow of the Institute of Chartered Accountants in England and Wales and is a Chartered Accountant, qualified since 1984. Since qualifying, Mr Lim has been employed as a management consultant with a top 4 accounting firm and held chief financial officer roles in various diverse sectors including private healthcare, music and entertainment, disaster recovery, property, building and construction, charities and furniture manufacture and retail. Mr Lim was appointed a director of EOR Group Limited (ASX code: EOR) on 15 May 2019, Mr Lim is a member of the Company's audit committee.

The Board supports the re-election of Mr Lim and recommends that Shareholders vote in favour of Resolution 2.

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**4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR MICHAEL HIGGINSON**

Clause 14.2 of the Constitution provides that at each annual general meeting one third of the Directors shall retire from office (or if their number is not a multiple of 3, then the number nearest one-third rounded upwards in case of doubt), provided always that no director except a managing director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his/her appointment. A retiring director is eligible for re-election.

Pursuant to Resolution 3, *Mr Michael Higginson* retires in accordance with the Constitution and being eligible for re-election, offers himself for re-election at the Meeting.

Details of the qualifications and experience of Mr Higginson are as follows:

Mr Higginson holds a Bachelor of Business degree with majors in finance and corporate administration. Mr Higginson was formerly an executive officer with the Australian Securities Exchange. He has over 30 years expertise in public company administration, corporate finance and law, corporate governance, capital raisings, ASX Listing Rules and company secretarial duties.

Mr Higginson has held board, company secretarial and senior management positions with a number of listed public companies. Mr Higginson is a director of SportsHero Limited (ASX code: SHO) and VIP Gloves Limited (ASX code: VIP). Mr Higginson is a member of the Company's audit committee.

The Board supports the re-election of Mr Higginson and recommends that Shareholders vote in favour of Resolution 3.



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## 5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

### 5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity because it is not included in the S&P/ASX 300 and its market capitalisation as at 24 June 2020 was \$35m.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2.3 below).

The Company is looking to expand its current business and further strengthen its overall competitiveness in the accounting software and business intelligence industries. The Company may use funds raised from the issue of Equity Securities under the 10% Placement Facility to provide further working capital and/or for the possible acquisition of strategic assets.

### 5.2 Description of Listing Rule 7.1A

#### 5.2.1 Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval as set out in Listing Rule 7.1.

#### 5.2.2 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue only one class of quoted Equity Securities, namely Shares.

#### 5.2.3 Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

- A** is the number of fully paid +ordinary securities on issue at the commencement of the relevant period,
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,

- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the relevant period; or
  - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid +ordinary securities cancelled in the relevant period;

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

#### **5.2.4 Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 83,658,301 Shares and therefore has a capacity to issue:

- (i) 12,548,745 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 4, 8,365,830 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2.3 above).

#### **5.2.5 Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class of security were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### 5.2.6 10% Placement Period

An approval under this rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following.

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
- (b) The time and date of the entity's next annual general meeting.
- (c) The time and date of the approval by holders of the Company's ordinary securities of a transaction under rule 11.1.2 or rule 11.2.  
**(10% Placement Period).**

### 5.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### 5.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

**5.4.1** The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class of security were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

**5.4.2** If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company

has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2                      |                        | Dilution                                     |                       |  |
|--|------------------------|--|-----------------------|--|
|  |                        | \$0.185<br>50%<br>decrease in<br>Issue Price | \$0.37<br>Issue Price | \$0.74<br>100%<br>increase in<br>Issue Price |
| 94,908,301<br>Current<br>Variable A                      | 10% Voting<br>Dilution | 9,490,830<br>Shares                          | 9,490,830<br>Shares   | 9,490,830<br>Shares                          |
|  | Funds raised           | \$1,755,803                                  | \$3,511,607           | \$7,023,214                                  |
| 142,362,451<br>50% increase<br>in current<br>Variable A  | 10% Voting<br>Dilution | 14,236,245<br>Shares                         | 14,236,245<br>Shares  | 14,236,245<br>Shares                         |
|  | Funds raised           | \$2,633,705                                  | \$5,267,410           | \$10,534,821                                 |
| 189,816,602<br>100% increase<br>in current<br>Variable A | 10% Voting<br>Dilution | 18,981,660<br>Shares                         | 18,981,660<br>Shares  | 18,981,660<br>Shares                         |
|  | Funds raised           | \$3,511,607                                  | \$7,023,214           | \$14,046,428                                 |

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No performance rights are converted into Shares before the date of the issue of the Equity Securities;
- (i) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (iii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (iv) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (v) The issue price is \$0.37, being the closing price of the Shares on ASX on 24 June 2020.

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

The Company may seek to raise cash from the issue of the Equity Securities for the purpose of expanding the Company's current business and further strengthening its overall competitiveness, to provide further working capital and/or for the possible acquisition of assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (h) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

The Company previously obtained Shareholder approval for the 10% Placement Facility under Listing Rule 7.1A at the 2019 Annual General Meeting on 29 May 2019.

During the 12 months preceding the date of the 2019 Annual General Meeting, no Shares have been issued by the Company.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in an issue of Equity Securities. No existing Shareholder's votes will therefore be excluded.

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## **6. RESOLUTION 5 – REPLACEMENT OF CONSTITUTION**

### **6.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2017.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <https://capenge.com.au> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 429 995 000). Shareholders are invited to contact the Company if they have any queries or concerns.

## **6.2 Summary of material proposed changes**

### **Restricted Securities (clause 2.12)**

The Proposed Constitution complies with the 1 December 2019 changes to ASX Listing Rule 15.12. Under these changes, ASX requires certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

### **Direct Voting (clause 13, specifically clauses 13.35 – 13.40)**

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

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## GLOSSARY

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**10% Placement Facility** has the meaning given to that term in Section 5.1.

**AEST** means Australian Eastern Standard Time as observed in New South Wales, Australia.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 31 December 2019.

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

**Auditor's Report** means the auditor's report on the financial statements of the Company for the year ended 31 December 2019 contained within the Annual Report.

**Board** means the current board of directors of the Company.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

- (i) a spouse or child of the member; or
- (ii) has the meaning given in section 9 of the Corporations Act.

**Company** means Cape Range Ltd (ACN 009 289 481).

**Constitution** means the constitution of the Company.

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

**Directors** means the current directors of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report of the Company contained within the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means the volume weighted average price.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.



CAPE RANGE LTD  
ACN 009 289 481

PROXY FORM

**ANNUAL GENERAL MEETING (all Resolutions will be determined by poll)**

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 2:00 pm AEST, on Thursday, 30 July 2020 at Level 40, 2 Park Street, Sydney, New South Wales, Australia, 2000 and at any adjournment thereof.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Important – If the Chair of the Meeting is your proxy or is appointed your proxy by default**

The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 1 to 5 (inclusive). If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 to 5 (inclusive), you will be authorising the Chair to vote in accordance with the Chair's voting intentions on Resolutions 1 to 5 (inclusive) even if the Chair has an interest in the outcome of the Resolution.

| Voting on business of the Meeting |   | FOR                      | AGAINST                  | ABSTAIN                  |
|-----------------------------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1                      | Adoption of Remuneration Report             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2                      | Re-election of Director – Gary Lim          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3                      | Re-election of Director – Michael Higginson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4                      | 10% Placement Facility                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5                      | Replacement of Constitution                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

Consent for contact by e-mail

in relation to this Proxy Form: YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting either in person or virtually. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person or virtually, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

**(Attending the Meeting virtually):** A live webcast at [www.advancedshare.com.au/virtual-meeting](http://www.advancedshare.com.au/virtual-meeting) will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the Meeting ID and Shareholder ID (appearing in the table printed on the front of this Proxy Form) to login to the website. **Detailed information regarding online participation at the Meeting is available in the Virtual Attendance Instructions included in the Notice of Meeting.**
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Cape Range Limited, 29 Brookside Place, Lota, Queensland, Australia 4179; or
  - (b) in person to 29 Brookside Place, Lota, Queensland, Australia 4179; or
  - (c) facsimile to the Company on facsimile number +61 7 3901 0751; or
  - (d) email to the Company at [mike.higginson@iinet.net.au](mailto:mike.higginson@iinet.net.au),

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**