



29 April 2022

Dear Member,

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS OF PACIFIC AMERICAN HOLDINGS LIMITED
ABN 83 127 131 604 (COMPANY)**

Notice is hereby given that the Annual General Meeting (**AGM**) of the Company's members is to be held at:

Venue: Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000

Time: 10.00am (Sydney time)

Date: Tuesday 31 May 2022

You are encouraged to attend the AGM, but if you cannot you are requested to complete and return the enclosed Proxy Form without delay as follows:

Proxies may be lodged using the reply-paid envelope, or

BY MAIL

Share Registry
Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

BY FAX

+ 61 2 9290 9655

IN PERSON

Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000 Australia

By order of the Board

Wayne Kernaghan
Company Secretary

**This is an important document that should be read in its entirety.
If you are in any doubt about the action you should take, you should consult with your professional advisers without delay.
If you wish to discuss any aspects of this document with the Company, please contact:
Mr Wayne Kernaghan, Company Secretary of Pacific American Holdings Limited on +61 2 8964 4373**

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NOTICE IS GIVEN that the Annual General Meeting of Pacific American Holdings Limited ABN 83 127 131 604 (**Company**) will be held at 10.00am (Sydney time) on Tuesday 31 May 2022 at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000.

The Proxy Form accompanying this Notice is incorporated in and comprises part of this Notice.

Explanatory notes appearing under each item of business below have been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the AGM.

The Explanatory Memorandum explains in greater detail the background to the Resolutions. Defined terms not otherwise defined in this Notice or the Explanatory Memorandum are defined in the Glossary which appears on page 12 of this Notice.

The purpose of the AGM is to consider and if thought fit, pass the Resolutions.

Directors recommend that Members read this Notice in its entirety.

ITEMS OF GENERAL BUSINESS

1. Receive and consider 2021 Financial Statements

To receive the Financial Statements, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2021 (**2021 Annual Report**).

Notes:

- There is no requirement for Members to approve the 2021 Annual Report.
- The 2021 Annual Report is available at <https://pacificamerican.com.au/> for Members to access and download.
- Members will be given an opportunity to raise questions of the Directors and the Company's Auditor on the 2021 Annual Report at the AGM.
- If you would like to receive a hard copy of the 2021 Annual Report free of charge you can contact the Company by telephoning +61 2 8964 4373.
- Further information regarding the 2021 Annual Report, including the financial statements, appears in the attached Explanatory Memorandum.

2. RESOLUTION 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding advisory-only resolution**:

"That the Company adopt the Remuneration Report for the year ended 31 December 2021."

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of that Key Management Personnel; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 1 in the Notice. However, the voting exclusions do not apply to a vote 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; or

- (b) the Chairman 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 Chairman to vote on the resolution as the Chairman 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

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.
- The Chairman intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting will be held within 90 days, at which all of Directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.

3. RESOLUTION 2: Re-election of Director – Geoff Hill

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:
"That Mr Geoff Hill being a director of the Company who retires by rotation pursuant to rule 6.3(b) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

Notes:

- Mr Hill consents to be re-elected as a director of the Company.
 - Non-candidate Directors unanimously support the re-election of Mr Hill.
 - The Chairman intends to vote undirected proxies in favour of Resolution 2.
- Further information about Mr Hill appears in the attached Explanatory Memorandum.

4. RESOLUTION 3: Election of Director – Keith Middleton

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:
"That Mr Keith Middleton being a director of the Company who was elected to fill a casual vacancy pursuant to rule 6.2(b) of the Company's Constitution, and being eligible, is elected as a Director of the Company."

Notes:

- Mr Middleton consents to be elected as a director of the Company.
- Non-candidate Directors unanimously support the election of Mr Middleton.
- The Chairman intends to vote undirected proxies in favour of Resolution 3.

Further information about Mr Middleton appears in the attached Explanatory Memorandum.

5. RESOLUTION 4: Election of Director – Melissa Sanderson

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

“That Ms Melissa Sanderson being a director of the Company who was elected to fill a casual vacancy pursuant to rule 6.2(b) of the Company’s Constitution, and being eligible, is elected as a Director of the Company.”

Notes:

- Ms Sanderson consents to be elected as a director of the Company.
- Non-candidate Directors unanimously support the election of Ms Sanderson.
- The Chairman intends to vote undirected proxies in favour of Resolution 4.
Further information about Ms Sanderson appears in the attached Explanatory Memorandum.

6. RESOLUTION 5 – Ratification of the issue of 5 million Options

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 1 April 2022 of 5,000,000 Options with an exercise price of \$0.018 and expiry date of 31 March 2025, each for \$nil, to a consultant as is more particularly described in the Explanatory Memorandum.”

Voting Exclusion Statement for Resolution 5

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an Associate of that person or those persons.

Certain voting exclusions are described under Resolution 5 in the Notice. However, the voting exclusions do not apply to a vote 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; or
- (b) the Chairman 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 Chairman to vote on the resolution as the Chairman 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 Chairman intends to vote undirected proxies in favour of Resolution 5.

7. RESOLUTION 6: Approval to issue Options to Mr Keith Middleton

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

“That in accordance with Listing Rule 10.11 and for all other purposes, the company be authorised to issue to Mr Keith Middleton, a Director of the Company or his nominee, 1,500,000 Options to subscribe for fully paid ordinary Shares in the Company on the terms set out in the attached Explanatory Memorandum accompanying this Notice of Annual General Meeting and the issue to Mr Keith Middleton or his nominee of fully paid ordinary Shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 6

Voting Exclusion Statement for Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Mr Middleton (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

8. RESOLUTION 7: Approval to issue Options to Ms Melissa Sanderson

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

“That in accordance with Listing Rule 10.11 and for all other purposes, the company be authorised to issue to Ms Melissa Sanderson, a Director of the Company or her nominee, 1,500,000 Options to subscribe for fully paid ordinary Shares in the Company on the terms set out in the attached Explanatory Memorandum accompanying this Notice of Annual General Meeting and the issue to Ms Melissa Sanderson or her nominee of fully paid ordinary Shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 7

Voting Exclusion Statement for Resolution 7

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Ms Sanderson (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of 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;

or

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

9.RESOLUTION 8: Approval to issue Options to Mr Mark Sykes

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

“That in accordance with Listing Rule 10.11 and for all other purposes, the company be authorised to issue to Mr Mark Sykes, a Director of the Company or his nominee, 1,500,000 Options to subscribe for fully paid ordinary Shares in the Company on the terms set out in the attached Explanatory Memorandum accompanying this Notice of Annual General Meeting and the issue to Mr Mark Sykes or his nominee of fully paid ordinary Shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 8

Voting Exclusion Statement for Resolution 8

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Sykes (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

10.RESOLUTION 9: Approval to issue Options to Mr Geoff Hill

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

“That in accordance with Listing Rule 10.11 and for all other purposes, the company be authorised to issue to Mr Geoff Hill, a Director of the Company or his nominee, 500,000 Options to subscribe for fully paid ordinary Shares in the Company on the terms set out in the attached Explanatory Memorandum accompanying this Notice of Annual General Meeting and the issue to Mr Geoff Hill or his nominee of fully paid ordinary Shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 9

Voting Exclusion Statement for Resolution 9

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Mr Hill (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

11.RESOLUTION 10: Approval to issue Options to Mr Simon Bird

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

“That in accordance with Listing Rule 10.11 and for all other purposes, the company be authorised to issue to Mr Simon Bird, a Director of the Company or his nominee, 500,000 Options to subscribe for fully paid ordinary Shares in the Company on the terms set out in the attached Explanatory Memorandum accompanying this Notice of Annual General Meeting and the issue to Mr Simon Bird or his nominee of fully paid ordinary Shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 10

Voting Exclusion Statement for Resolution 10

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of Mr Bird (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

12.Resolution 11: Approval of increase to Non-executive Director fee cap.

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

“That, for the purposes of the Company’s Constitution and ASX Listing Rule 10.17 that the maximum aggregate remuneration that may be paid to all the Non-executive Directors in any financial year commencing on or after 1 January 2022, be increased from \$250,000 per annum to \$350,000 per annum.

The Chairman of the AGM intends to vote all available proxies in favour of Resolution 11.

Voting Exclusion Statement for Resolution 11

The Company will disregard any votes cast in favour of this Resolution 11 by or on behalf of any director or any of their associates.

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

- (a) a person or proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way ;or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides ;or
- (a) (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.

13.RESOLUTION 12: Consolidation of Capital

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

“That, pursuant to and in accordance with section 254H of the Corporations and for all other purposes, the issued capital of the Company be consolidated on the basis that every two (2) shares be consolidated into one (1) share and every two (2) options be consolidated into one (1) option (Consolidation) and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction down to the nearest whole Share or Option(as the case may be).”

ITEMS OF SPECIAL BUSINESS

14. RESOLUTION 13: Change of Name

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

“That, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to Advance Metals Limited.”

15. RESOLUTION 14: Approval of additional 10% placement facility

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

That, for the purpose of 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 for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.

Voting Exclusion Statement for Resolution 14

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

(b) the chair 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.

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement facility are not yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the

proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

The Chairman intends to vote undirected proxies in favour of Resolution 14.

VOTING RIGHTS AND PROXIES

Members are encouraged to attend the AGM, but if you are unable to attend the AGM we encourage you to complete and return the enclosed proxy form.

- A Member entitled to attend and vote at the AGM has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a Member of the Company.
- A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes that each proxy may exercise, each proxy may exercise half of the votes.

PROXY VOTING

To vote by proxy, please complete, sign and return the enclosed Proxy Form without delay as follows:

BY MAIL	BY FAX	IN PERSON
Share Registry	+ 61 2 9290 9655	Share Registry
Boardroom Pty Ltd		Boardroom Pty Ltd
GPO Box 3993		Level 12
Sydney NSW 2001		225 George Street
		Sydney NSW 2000 Australia

Proxy Forms must be received not later than 48 hours before the time specified for the commencement of the AGM.

DATE FOR DETERMINING HOLDERS OF SHARES

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 Members at End of Day on Sunday 29 May 2022.

INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;

- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

GLOSSARY

- **AEST** means Australian Eastern Standard time.
- **AGM** or **Annual General Meeting** means the annual general meeting to commence 10.00am (Sydney time) on Tuesday 31 May 2022 and notified to the Company's Members by this Notice.
- **Associate** has the meaning given to that term in Part 1.2 Division 2 of the Corporations Act.
- **ASX** means ASX Limited ABN 98 008 624 691.
- **ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time, and **Listing Rules** has a corresponding meaning.
- **Board** or **Board of Directors** means the board of directors of the Company.
- **Closely Related Party** of a member of the Key Management Personnel means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependent of the member or the member's spouse;
 - 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;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth) as a "closely related party".
- **Company** means Pacific American Holdings Limited ABN 83 127 131 604.
- **Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.
- **Constitution** means the constitution of the Company, as amended from time to time.
- **Corporations Act** means the *Corporations Act 2001* (Cth).
- **Director** means a director of the Company.
- **Eligible Employee and Officer** means a person who is, at the time of an Offer a director or officer, a full or permanent part-time employee or senior consultant of a member of the Group who have held positions within the Group for at least 12

- months, or such other person as the Board determines.
- **Employee Option** means an option granted pursuant to the ESOP rules to subscribe for one Share upon and subject to the terms of the ESOP rules and the terms of the Offer.
 - **End of Day** means on any trading day, 7.00pm AEST or such other time as ASX Settlement may from time to time determine.
 - **Equity Securities** has the same meaning as in the ASX Listing Rules.
 - **ESOP** means the Pacific American Holdings Employee and Officer Share Option plan as approved by shareholders on 31 May 2021.
 - **Explanatory Memorandum** means the explanatory memorandum accompanying the Notice which convened this AGM.
 - **Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
 - **Notice** means this notice of Annual General Meeting.
 - **Remuneration Report** means the remuneration report which forms part of the financial statements of the Company and its controlled entities.
 - **Member** means a shareholder of the Company.
 - **Share** means a fully paid ordinary share in the issued capital of the Company.
 - **Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.
 - **Vesting Conditions** means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Employee Option certificate or Offer which are, subject to the Rules of the ESOP, required to be satisfied, reached or met before an Employee Option vests and can be exercised.

EXPLANATORY MEMORANDUM TO MEMBERS

This Explanatory Memorandum has been prepared to assist members of the Company to understand the business to be put to the Company's members, for their consideration at the forthcoming Annual General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum in its entirety and attend the forthcoming Annual General Meeting.

1. Financial Statements

The Corporations Act requires the Company's financial statements for the year ended 31 December 2021, and reports of the Directors and Auditor, to be laid before the Annual General Meeting. The Company's financial statements for the year ended 31 December 2021 and reports of the Directors and Auditor are contained in the Company's 2021 Annual Report, a copy of which is available on the Company's website at

<https://pacificamerican.com.au/>.

While no resolution is required in relation to this item, Members should consider these documents and raise any matters of interest with the Company's Directors when this item is being considered.

The Company's Auditor will be present at the AGM and Members will have an opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's report, the Company's accounting policies and the independence of the Auditor.

2. RESOLUTION 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the year ended 31 December 2021 is set out in the Company's 2021 Annual Report available on the Company's website

<https://pacificamerican.com.au/>.

The Remuneration Report sets out the Company's remuneration arrangements for Directors. The Chairman will allow a reasonable opportunity for Members to ask questions about, or make comments on, the Remuneration Report at the AGM. In addition, Members will be asked to vote on the Remuneration Report.

The Resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the votes and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes cast are voted against the adoption of a remuneration report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another Members' meeting will be held within 90 days.

If the spill resolution is passed at the second AGM, all the Company's Directors must go up for re-election within 90 days - at the next Members' meeting.

(b) The Company encourages all Members to cast their votes on Resolution 1 (Remuneration Report). Members not attending the AGM may use the enclosed Proxy Form to lodge their vote by appointing a proxy.

(c) Any undirected proxies held by the Chairman, other Directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman pursuant to an express authorisation on the Proxy Form made by a Member who is entitled to vote on Resolution 1.

Key Management Personnel of the Consolidated Entity are the Directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the year ended 31 December 2021. Their Closely Related Parties are defined in the Corporations Act, and include certain

of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either “For”, “Against” or “Abstain” on the Voting Form for those items of business.

3. RESOLUTION 2: Re-election of Director – Geoff Hill

It is a requirement under rule 6.3(b) of the Company’s Constitution that an election of directors shall take place each year. A Director (other than the managing Director) shall not retain office for a period in excess of 3 years or beyond the third annual general meeting following his election (whichever is the longer period) without submitting himself for re-election. At the annual general meeting in each year, one-third of the Directors in office or if their number is not a multiple of 3, the number nearest to one-third, shall retire from office.

Accordingly, Mr Geoff Hill retires from office, and being eligible, offers himself for re-election as a Director of the Company.

Geoff Hill BEcon (Syd), MBA (NSW), FFIN, FCPA, FAICD is Chairman and member of the audit and remuneration committees.

Geoff is a merchant banker with experience in mergers and capital raising and has acted for a wide range of corporate clients in Australia and overseas, particularly in the resources sector. He is Chairman of the International Pacific Securities Group and Asian Property Investments Limited. He is also a non-executive director of ASX listed company American Rare Earths Limited (ASX: ARR) (appointed 27 August 2015)

Recommendation

Non-candidate Directors unanimously recommend that Members vote in favour of Resolution 2.

4. RESOLUTION 3: Election of Director – Keith Middleton

It is a requirement under rule 6.3(j) of the Company’s Constitution that any person appointed by Directors to fill a casual vacancy, or as additional Director shall (unless a Managing Director) hold office only until the Company’s next annual general meeting and then be eligible for election.

Since the Company’s last annual general meeting, Keith Middleton was appointed as a Director to fill a casual vacancy and is eligible to be elected.

Keith Middleton BA, AIM, AICD is a Non-Executive Director

Keith is a corporate advisor and director of ASX listed companies specializing in the Australian and International resource sector. He has extensive experience in financial analysis, risk management, major capital works expenditure, corporate governance and ESG regulations. Keith has direct accountability for mining operations and exploration activities coupled with strategy formulation, project evaluation and investor presentations.

His former public directorships over the last three years include American Rare Earths Limited from 19 March 2020 to 7 February 2022 and Redbank Copper from 2 August 2019 to 2 August 2021.

Recommendation

Non-candidate Directors unanimously recommend that Members vote in favour of Resolution 3.

5. RESOLUTION 4: Election of Director – Melissa Sanderson

It is a requirement under rule 6.3(j) of the Company's Constitution that any person appointed by Directors to fill a casual vacancy, or as additional Director shall (unless a Managing Director) hold office only until the Company's next annual general meeting and then be eligible for election.

Since the Company's last annual general meeting, Melissa Sanderson was appointed as a Director to fill a casual vacancy and is eligible to be elected.

Melissa Sanderson is a Non-Executive Director

Melissa's 30-year international career has spanned mining and government relations. At global copper mining leader Freeport-McMoRan, Melissa sited, staffed, and ran a corporate office focused on government, public relations, and social responsibility programs. She is adept at cross-cultural communication and brings leadership experience in inclusivity and diversity issues.

Melissa is experienced in multi-cultural management, gender/minority issues, strategic planning, negotiations, political and economic analysis, and economic development in the mining industry. She currently advises ASX listed Hawkstone Mining Ltd, sits on the board of American Rare Earths Ltd and is a professor at Arizona State University school of global management.

Recommendation

Non-candidate Directors unanimously recommend that Members vote in favour of Resolution 4.

6. RESOLUTION 5: Ratification of the issue of 5 million Options

As announced on 1 April 2022 the Company issued 5,000,000 Options to a consultant for nil consideration with an exercise price of \$0.018 and an expiry date of 31 March 2025. Resolution 5 seeks Member approval pursuant to ASX Listing Rule 7.4 for the ratification of the issue of these Options and the subsequent issue of shares on the conversion of the Options.

Subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

ASX Listing Rule 7.4 allows the shareholders of the Company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company did not breach ASX Listing Rule 7.1 at the time of issue of the Options to the consultant.

If this resolution is passed, the Company will be able to utilise ASX Listing Rule 7.1 for future issue of up to 15% of the expanded issued capital in the next 12 month period without having to convene a Shareholders meeting to seek Shareholder approval of any such issues. The directors believe it is desirable to have the flexibility afforded to the Company to issue securities up to the maximum 15% allowable under ASX Listing Rule 7.1

If this resolution is not passed, the Company will not be allowed to utilise the exemption under Listing Rule 7.4 for the issue of these equity securities under ASX Listing Rule 7.1.

(a) Required Disclosure

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the approval of the matters specified above:

Number of securities issued	5,000,000 Options were issued.
Issue Price	Issue price for the option was \$Nil per Option.
Terms of the securities	The options are exercisable at \$0.018 each with an expiry date of 31 March 2025. 2,500,000 of the options vest immediately with 2,500,000 vesting in 12 months from date of issue subject to vesting conditions. The options when exercised will become fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Allottees	The allottee is a consultant – Mr Robert Sedgemore.
Use of funds	No funds were raised from the issue of the options however funds raised on the exercise of the options will be \$90,000 and will be used for working capital purposes.
Voting exclusion statement	A voting exclusion statement is included in the Notice.

(b) Recommendation

The Board unanimously recommends that Members vote in favour of Resolution 5.

7. RESOLUTION 6 Approval to issue Options to Mr Keith Middleton

7.1 General

It is proposed that the Company issue to Keith Middleton, a Director of the Company or his nominee, a total of 1,500,000 options to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price of \$0.02. The options have an expiry date of 5 years from date of issue.

Shareholder approval is being sought for the issue of these options and the issue of shares upon exercise of the options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:-

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits.

The granting of options to Keith Middleton, a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial(10%+)holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which give them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

Unless it obtains the approval of its shareholders.

The issue of options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 6 seeks the required Shareholder approval for the issue of the options under and for the purposes of Listing Rule 10.11.

7.4 Technical Information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the options to Mr Middleton within one month after the date of the Meeting(or such later date as permitted by any ASX waiver or modification of the Listing Rules).As approval pursuant to Listing Rule 7.1 is not required for the issue of the options (because approval is being obtained under Listing Rule 10.11), the issue of the options will not use up any of the Company's 15% annual placement capacity.

If resolution 6 is not passed, the Company will not be able to proceed with the issue of the options.

7.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 6:

- (a) the options will be issued to Keith Middleton (or his nominee), who fall within the category set out in Listing Rule 10.11.1 as Keith Middleton is a related party of the Company by virtue of being a Director;
- (b) the maximum number of options to be issued is 1,500,000 to Keith Middleton(or his nominee)
- (c) the terms and conditions of the options are set out in schedule 1;
- (d) the options will be issued no later than 1 month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

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- (e) the issue price of the options will be nil. The Company will not receive any other consideration in respect of the issue of the options (other than in respect of funds received on exercise of the options).
- (f) the purpose of the issue of the options is to provide a performance linked incentive component in the remuneration package for Mr Middleton to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Middleton, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration was given to Mr Middleton.
- (g) the options are unquoted options. The Company has agreed to issue options to the related party subject to shareholder approval for the following reasons:
 - (i) the options are unquoted; therefore, the issue of the options has no immediate dilutionary impact on shareholders;
 - (ii) it is considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options on the terms proposed.
- (h) the number of options to be issued to Mr Middleton has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed;

- (i) The options have been valued by reference to the Black Scholes options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 19 April 2022	\$0.017
Exercise Price	\$0.02
Risk Free Rate	0.10%
Volatility (Annualised)	82.61%
Time (years) to expiry	5 years
Value per option	\$0.01051
Number of options	1,500,000
Total value	\$15,765

It should be noted that no discount has been applied to the valuation for non negotiability of the options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 1,500,000 options is \$ 15,765

- (j) the options are not being issued under an agreement

- (k) The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.6 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000

If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.6 cents exercisable on or before 30/11/2020)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 1/11/2021)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000
Unlisted Options (2.0 cents exercisable on or before 5 years from date of issue)	5,500,000
Total Options	24,000,000
Total Ordinary Shares if all Options on issue are exercised	501,877,402

If the share price is higher than the exercise price at the time the options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the shares at a higher price.

(l) Mr Middleton has an interest in 1,000,000 shares. If Mr Middleton exercises the options, there will be a dilutionary effect of 0.003% on existing shareholders. If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting and none of the options on issue are exercised, except those issued to Keith Middleton, Keith Middleton will hold 0.005% of the issued share capital of the Company.

(m) The highest, lowest and last trading prices of the shares on ASX over the previous 12 months are \$0.024 (on 11 November 2021), \$0.014 (on 7 March 2022) and \$0.017 (on 19 April 2022) respectively.

(n) Keith Middleton currently receives \$36,000 per year which is his total remuneration.

These options are intended to provide an incentive to Keith Middleton, a Director, to work towards improving the performance of the Company and its share price, which will benefit all of the shareholders.

Therefore, Resolution 6 seeks the approval of shareholders to satisfy the requirements for shareholder approval under Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001.

Keith Middleton, director of the Company, does not make a recommendation to shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution as he is a related party who will receive a financial benefit if the resolution is passed.

The other directors recommend that the shareholders vote to approve Resolution 6, on the basis that the options will provide an incentive to Mr Middleton to continue to work towards increasing the value of the Company, are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company including the dilutionary effect referred to above.

8. RESOLUTION 7 Approval to issue Options to Ms Melissa Sanderson

8.1 General

It is proposed that the Company issue to Melissa Sanderson, a Director of the Company or his nominee, a total of 1,500,000 options to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price of \$0.02. The options have an expiry date of 5 years from the date of issue.

Shareholder approval is being sought for the issue of these options and the issue of shares upon exercise of the options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

8.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a “financial benefit” to a “related party” (which includes Directors and associates) of the public company unless either:-

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits.

The granting of options to Melissa Sanderson, a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E.

8.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which give them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

Unless it obtains the approval of its shareholders.

The issue of options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 7 seeks the required Shareholder approval for the issue of the options under and for the purposes of Listing Rule 10.11.

8.4 Technical Information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the options to Ms Sanderson within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the options (because approval is being obtained under Listing Rule 10.11), the issue of the options will not use up any of the Company's 15% annual placement capacity.

If resolution 7 is not passed, the Company will not be able to proceed with the issue of the options.

8.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 7:

- (h) the options will be issued to Melissa Sanderson (or her nominee), who fall within the category set out in Listing Rule 10.11.1 as Melissa Sanderson is a related party of the Company by virtue of being a Director;
- (i) the maximum number of options to be issued is 1,500,000 to Melissa Sanderson (or her nominee)
- (j) the terms and conditions of the options are set out in schedule 1;
- (k) the options will be issued no later than 1 month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (l) the issue price of the options will be nil. The Company will not receive any other consideration in respect of the issue of the options (other than in respect of funds received on exercise of the options).
- (m) the purpose of the issue of the options is to provide a performance linked incentive component in the remuneration package for Ms Sanderson to motivate and reward his performance as a Director and to provide cost effective remuneration to Ms Sanderson, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration was given to Ms Sanderson.
- (n) the options are unquoted options. The Company has agreed to issue options to the related party subject to shareholder approval for the following reasons:
 - (i) the options are unquoted; therefore, the issue of the options has no immediate dilutionary impact on shareholders;
 - (ii) it is considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options on the terms proposed.
- (h) the number of options to be issued to Ms Sanderson has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed;

- (i) The options have been valued by reference to the Black Scholes options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 19 April 2022	\$0.017
Exercise Price	\$0.02
Risk Free Rate	0.10%
Volatility (Annualised)	82.61%
Time (years) to expiry	5 years
Value per option	\$0.01051

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Number of options	1,500,000
Total value	\$15,765

It should be noted that no discount has been applied to the valuation for non negotiability of the options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 1,500,000 options is \$15,765.

(j) the options are not being issued under an agreement

(k)The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000

If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000
Unlisted Options (2.0 cents exercisable on or before 5 years from date of issue)	5,500,000
Total Options	24,000,000
Total Ordinary Shares if all Options on issue are exercised	501,877,402

If the share price is higher than the exercise price at the time the options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the shares at a higher price.

(l)Ms Sanderson has an interest in no shares. If Ms Sanderson exercises the options, there will be a dilutionary effect of 0.003% on existing shareholders. If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting and none of the options on issue are exercised, except those issued to Melissa Sanderson, Melissa Sanderson will hold 0.003% of the issued share capital of the Company.

(m)The highest, lowest and last trading prices of the shares on ASX over the previous 12 months are \$0.024 (on 11 November 2021), \$0.014 (on 7 March 2022) and \$0.017 (on 19 April 2022) respectively.

(n)Melissa Sanderson currently receives US\$25,000 per year which is her total remuneration.

These options are intended to provide an incentive to Melissa Sanderson, a Director, to work towards improving the performance of the Company and its share price, which will benefit all of the shareholders.

Therefore, Resolution 7 seeks the approval of shareholders to satisfy the requirements for shareholder approval under Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001.

Melissa Sanderson, director of the Company, does not make a recommendation to shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution as he is a related party who will receive a financial benefit if the resolution is passed.

The other directors recommend that the shareholders vote to approve Resolution 7, on the basis that the options will provide an incentive to Ms Sanderson to continue to work towards increasing the value of the Company, are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company including the dilutionary effect referred to above.

9. RESOLUTION 8 Approval to issue Options to Mr Mark Sykes

9.1 General

It is proposed that the Company issue to Mark Sykes, a Director of the Company or his nominee, a total of 1,500,000 options to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price of \$0.02. The options have an expiry date of 5 years from date of issue.

Shareholder approval is being sought for the issue of these options and the issue of shares upon exercise of the options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

9.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:-

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits.

The granting of options to Mark Sykes, a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E.

9.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+)holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which give them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

Unless it obtains the approval of its shareholders.

The issue of options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 8 seeks the required Shareholder approval for the issue of the options under and for the purposes of Listing Rule 10.11.

9.4 Technical Information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the options to Mr Sykes within one month after the date of the Meeting(or such later date as permitted by any ASX waiver or modification of the Listing Rules).As approval pursuant to Listing Rule 7.1 is not required for the issue of the options (because approval is being obtained under Listing Rule 10.11), the issue of the options will not use up any of the Company's 15% annual placement capacity.

If resolution 8 is not passed, the Company will not be able to proceed with the issue of the options.

9.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 8:

- (o) the options will be issued to Mark Sykes (or his nominee), who fall within the category set out in Listing Rule 10.11.1 as Mark Sykes is a related party of the Company by virtue of being a Director;
- (p) the maximum number of options to be issued is 1,500,000 to Mark Sykes (or his nominee)
- (q) the terms and conditions of the options are set out in schedule 1;
- (r) the options will be issued no later than 1 month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

- (s) the issue price of the options will be nil. The Company will not receive any other consideration in respect of the issue of the options (other than in respect of funds received on exercise of the options).
- (t) the purpose of the issue of the options is to provide a performance linked incentive component in the remuneration package for Mr Sykes to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Sykes, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration was given to Mr Sykes.
- (u) the options are unquoted options. The Company has agreed to issue options to the related party subject to shareholder approval for the following reasons:
 - (i) the options are unquoted; therefore, the issue of the options has no immediate dilutionary impact on shareholders;
 - (ii) it is considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options on the terms proposed.
- (h) the number of options to be issued to Mr Sykes has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed;

- (i) The options have been valued by reference to the Black Scholes options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 19 April 2022	\$0.017
Exercise Price	\$0.02
Risk Free Rate	0.10%
Volatility (Annualised)	82.61%
Time (years) to expiry	5 years
Value per option	\$0.01051
Number of options	1,500,000
Total value	\$15,765

It should be noted that no discount has been applied to the valuation for non negotiability of the options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 1,500,000 options is \$15,765

- (j) the options are not being issued under an agreement

- (k) The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000

If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000
Unlisted Options (2.0 cents exercisable on or before 5 years from date of issue)	5,500,000
Total Options	24,000,000
Total Ordinary Shares if all Options on issue are exercised	501,877,402

If the share price is higher than the exercise price at the time the options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the shares at a higher price.

(l) Mr Sykes has an interest in 80,000 shares. If Mr Sykes exercises the options, there will be a dilutionary effect of 0.003% on existing shareholders. If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting and none of the options on issue are exercised, except those issued to Mark Sykes, Mark Sykes will hold 0.003% of the issued share capital of the Company.

(m) The highest, lowest and last trading prices of the shares on ASX over the previous 12 months are \$0.024 (on 11 November 2021), \$0.014 (on 7 March 2022) and \$0.017 (on 19 October 2021) respectively.

(n) Mark Sykes currently receives \$139,750 per year (includes salary and superannuation) which is his total remuneration.

These options are intended to provide an incentive to Mark Sykes, a Director, to work towards improving the performance of the Company and its share price, which will benefit all of the shareholders.

Therefore, Resolution 8 seeks the approval of shareholders to satisfy the requirements for shareholder approval under Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001.

Mark Sykes, director of the Company, does not make a recommendation to shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution as he is a related party who will receive a financial benefit if the resolution is passed.

The other directors recommend that the shareholders vote to approve Resolution 8, on the basis that the options will provide an incentive to Mr Sykes to continue to work towards increasing the value of the Company, are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company including the dilutionary effect referred to above.

10. RESOLUTION 9 Approval to issue Options to Mr Geoff Hill

10.1 General

It is proposed that the Company issue to Geoff Hill, a Director of the Company or his nominee, a total of 500,000 options to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price of \$0.02. The options have an expiry date of 5 years from date of issue.

Shareholder approval is being sought for the issue of these options and the issue of shares upon exercise of the options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

10.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:-

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits.

The granting of options to Geoff Hill, a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E.

10.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+)holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which give them a right or expectation to do so;

10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

Unless it obtains the approval of its shareholders.

The issue of options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 9 seeks the required Shareholder approval for the issue of the options under and for the purposes of Listing Rule 10.11.

10.4 Technical Information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will be able to proceed with the issue of the options to Mr Hill within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the options (because approval is being obtained under Listing Rule 10.11), the issue of the options will not use up any of the Company's 15% annual placement capacity.

If resolution 9 is not passed, the Company will not be able to proceed with the issue of the options.

10.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 9:

- (v) the options will be issued to Geoff Hill (or his nominee), who fall within the category set out in Listing Rule 10.11.1 as Geoff Hill is a related party of the Company by virtue of being a Director;
- (w) the maximum number of options to be issued is 500,000 to Geoff Hill (or his nominee)
- (x) the terms and conditions of the options are set out in schedule 1;
- (y) the options will be issued no later than 1 month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (z) the issue price of the options will be nil. The Company will not receive any other consideration in respect of the issue of the options (other than in respect of funds received on exercise of the options).
- (aa) the purpose of the issue of the options is to provide a performance linked incentive component in the remuneration package for Mr Hill to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Hill, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration was given to Mr Hill.
- (bb) the options are unquoted options. The Company has agreed to issue options to the related party subject to shareholder approval for the following reasons:
 - (i) the options are unquoted ; therefore, the issue of the options has no immediate dilutionary impact on shareholders;
 - (ii) it is considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options on the terms proposed.
- (h) the number of options to be issued to Mr Hill has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed;

- (i) The options have been valued by reference to the Black Scholes options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 19 April 2022	\$0.017
Exercise Price	\$0.02
Risk Free Rate	0.10%
Volatility (Annualised)	82.61%
Time (years) to expiry	5 years

Pacific American Holdings Limited Notice of Annual General Meeting 31 May 2022

Value per option	\$0.01051
Number of options	500,000
Total value	\$5,255

It should be noted that no discount has been applied to the valuation for non negotiability of the options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 500,000 options is \$5,255

(j) the options are not being issued under an agreement

(k) The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000

If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000
Unlisted Options (2.0 cents exercisable on or before 5 years from date of issue)	5,500,000
Total Options	24,000,000
Total Ordinary Shares if all Options on issue are exercised	501,877,402

If the share price is higher than the exercise price at the time the options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the shares at a higher price.

(l) Mr Hill has an interest in 44,461,380 shares. If Mr Hill exercises the options, there will be a dilutionary effect of 0.001% on existing shareholders. If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting and none of the options on issue are exercised, except those issued to Geoff Hill, Geoff Hill will hold 9.38% of the issued share capital of the Company.

(m) The highest, lowest and last trading prices of the shares on ASX over the previous 12 months are \$0.024 (on 11 November 2021), \$0.014 (on 7 March 2022) and \$0.017 (on 19 October 2021) respectively.

(n) Geoff Hill currently receives \$60,000 per year which is his total remuneration.

These options are intended to provide an incentive to Geoff Hill, a Director, to work towards improving the performance of the Company and its share price, which will benefit all of the shareholders.

Therefore, Resolution 9 seeks the approval of shareholders to satisfy the requirements for shareholder approval under Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001.

Geoff Hill, director of the Company, does not make a recommendation to shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution as he is a related party who will receive a financial benefit if the resolution is passed.

The other directors recommend that the shareholders vote to approve Resolution 9, on the basis that the options will provide an incentive to Mr Hill to continue to work towards increasing the value of the Company, are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company including the dilutionary effect referred to above.

11. RESOLUTION 10 Approval to issue Options to Mr Simon Bird

11.1 General

It is proposed that the Company issue to Simon Bird, a Director of the Company or his nominee, a total of 500,000 options to subscribe for fully paid ordinary shares in the capital of the Company at an exercise price of \$0.02. The options have an expiry date of 5 years from date of issue.

Shareholder approval is being sought for the issue of these options and the issue of shares upon exercise of the options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

11.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:-

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits.

The granting of options to Simon Bird, a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E.

11.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+)holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which give them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

Unless it obtains the approval of its shareholders.

The issue of options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 10 seeks the required Shareholder approval for the issue of the options under and for the purposes of Listing Rule 10.11.

11.4 Technical Information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the options to Mr Bird within one month after the date of the Meeting(or such later date as permitted by any ASX waiver or modification of the Listing Rules).As approval pursuant to Listing Rule 7.1 is not required for the issue of the options (because approval is being obtained under Listing Rule 10.11), the issue of the options will not use up any of the Company's 15% annual placement capacity.

If resolution 10 is not passed, the Company will not be able to proceed with the issue of the options.

11.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 10:

- (cc) the options will be issued to Simon Bird (or his nominee), who fall within the category set out in Listing Rule 10.11.1 as Simon Bird is a related party of the Company by virtue of being a Director;
- (dd) the maximum number of options to be issued is 500,000 to Simon Bird (or his nominee)
- (ee) the terms and conditions of the options are set out in schedule 1;
- (ff) the options will be issued no later than 1 month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

- (gg) the issue price of the options will be nil. The Company will not receive any other consideration in respect of the issue of the options (other than in respect of funds received on exercise of the options).
- (hh) the purpose of the issue of the options is to provide a performance linked incentive component in the remuneration package for Mr Bird to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Bird, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration was given to Mr Bird.
- (ii) the options are unquoted options. The Company has agreed to issue options to the related party subject to shareholder approval for the following reasons:
 - (i) the options are unquoted ; therefore, the issue of the options has no immediate dilutionary impact on shareholders;
 - (ii) it is considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options on the terms proposed.
- (h) the number of options to be issued to Mr Bird has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the options upon the terms proposed;

- (i) The options have been valued by reference to the Black Scholes options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 19 April 2022	\$0.017
Exercise Price	\$0.02
Risk Free Rate	0.10%
Volatility (Annualised)	82.61%
Time (years) to expiry	5 years
Value per option	\$0.01051
Number of options	500,000
Total value	\$5,255

It should be noted that no discount has been applied to the valuation for non negotiability of the options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 500,000 options is \$5,255

- (j) the options are not being issued under an agreement

- (k) The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 5 years from date of issue)	5,000,000

If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	477,877,402
Unlisted Options (6.3 cents exercisable on or before 4/6/2024)	1,500,000
Unlisted Options (3.0 cents exercisable on or before 29/6/2026)	12,000,000
Unlisted Options (1.8 cents exercisable on or before 31/3/2025)	5,000,000
Unlisted Options (2.0 cents exercisable on or before 5 years from date of issue)	5,500,000
Total Options	24,000,000
Total Ordinary Shares if all Options on issue are exercised	501,877,402

If the share price is higher than the exercise price at the time the options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the shares at a higher price.

(l) Mr Bird has an interest in 863,442 shares. If Mr Bird exercises the options, there will be a dilutionary effect of 0.001% on existing shareholders. If shareholder approval is obtained for all resolutions contained in the Notice of Meeting and all options are issued as contemplated by the Notice of Meeting and none of the options on issue are exercised, except those issued to Simon Bird, Simon Bird will hold 0.0028% of the issued share capital of the Company.

(m) The highest, lowest and last trading prices of the shares on ASX over the previous 12 months are \$0.024 (on 11 November 2021), \$0.014 (on 7 March 2022) and \$0.017 (on 19 October 2021) respectively.

(n) Simon Bird currently receives \$32,750 per year which is his total remuneration.

These options are intended to provide an incentive to Simon Bird, a Director, to work towards improving the performance of the Company and its share price, which will benefit all of the shareholders.

Therefore, Resolution 10 seeks the approval of shareholders to satisfy the requirements for shareholder approval under Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001.

Simon Bird, director of the Company, does not make a recommendation to shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution as he is a related party who will receive a financial benefit if the resolution is passed.

The other directors recommend that the shareholders vote to approve Resolution 10, on the basis that the options will provide an incentive to Mr Bird to continue to work towards increasing the value of the Company, are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company including the dilutionary effect referred to above.

12. Resolution 11: Approval of increase to Non-executive Director fee cap.

The Company's Constitution provides that the aggregate remuneration payable to Non-executive Directors may not exceed in any year as is fixed from time to time by ordinary resolution passed by the Company's Shareholders.

The current aggregate Non-executive Director fee pool of \$250,000 per annum was which was set at the Company's General Meeting on 16 December 2008 and the Board has not sought to increase the fee pool since that time.

In the last three years Non-executive Directors have been issued with 1,000,000 unlisted options exercisable at \$0.063 and expiry date of 4 June 2024 and 6,000,000 unlisted options exercisable at \$0.03 and expiry date of 29 June 2026. The options were issued under the employee share and option plan and were approved by shareholders.

Resolution 11 seeks Shareholder approval to increase the Non-executive Director fee pool by \$100,000 to \$350,000 per annum which is the maximum aggregate amount. Shareholder approval is required under the Company's constitution and ASX Listing Rule 10.17.

The reasons for the proposed increase are to ensure the Company is able to attract and retain quality, high-calibre independent Non-executive Directors with a broad range of skills, experience and expertise to help drive the Company's transformation.

If Resolution 11 is not approved by shareholders then the maximum amount that can be paid to Non-Executive Directors will remain at \$250,000 per annum.

Given the interest in this matter of each Non-executive Director, the Board does not consider it appropriate to make a recommendation on this resolution.

13 RESOLUTION 12: Consolidation of Capital

13.1 Legal requirements

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

13.2 Fractional entitlements

Not all security holders will hold that number of securities which can be evenly divided by 2. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Security.

13.3 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

13.4 Holding statements

From the date of the 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-Consolidation basis.

After the 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 Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

13.5 Effect on capital structure

The approximate effect which the Consolidation will have on the Company's current structure is set out in the table below. All numbers are subject to rounding.

Security	Current	Post-Consolidation
Ordinary Shares	477,877,402	238,938,701
Unlisted options expiring 4 June 2024	1,500,000	750,000
Unlisted options expiring on 29 June 2026	12,000,000	6,000,000
Unlisted options expiring on 31 March 2025	5,000,000	2,500,000

13.6 Consolidation timetable

If Resolution 12 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A of the Listing Rules).

Action	Date
Company sends out Notice of Meeting seeking Shareholder approval for the Consolidation and the lodgement of the Appendix 3A.3	2 May 2022
Company tells ASX that Shareholders have approved the Consolidation – This is the effective date	31 May 2022
Last day for trading in pre-Consolidation Securities	1 June 2022
Trading in post-Consolidation starts on a deferred settlement basis	2 June 2022
Record Date:	3 June 2022
First day for Company to send to each holder notice of the change in their details of holdings	6 June 2022
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	6 June 2022
Last day for the Company to send to each holder notice of the change in their details of holdings	10 June 2022

ITEMS OF SPECIAL BUSINESS

14. RESOLUTION 13: Change of Company Name

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 11 seeks the approval of Shareholders for the Company to change its name to **“Advance Metals Limited”**.

If Resolution 13 is passed the change of name will take effect when ASIC alters details of the Company’s registration.

The proposed name has been reserved by the Company and if Resolution 13 is passed, the Company will a copy of the special resolution with ASIC in order to effect the change.

The Board propose this change of name on the basis that it more accurately reflects the operations of the Company.

15. RESOLUTION 14: Approval of additional 10% placement facility

Background

Listing Rule 7.1A provides that in addition to the 15% placement capacity permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in 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(excluding restricted securities and securities quoted on a deferred settlement basis), The Company is an eligible entity.

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 has one class of quoted securities on issue, being ordinary shares.

Resolution 14 seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the Additional 10% Placement Facility available under Listing Rule 7.1A. The maximum number of quoted Equity Securities that may be issued under the additional 10% placement facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 14 is passed, the Company will be able to issue Equity Securities up to a combined 25% limit in Listing Rules 7.1 and 7.1A without further Shareholder approval.

If Resolution 14 is not passed, the Company will not be able to access the additional 10% placement capacity to issue quoted Equity Securities without Shareholder approval available under Listing Rule 7.1a and will remain subject to the 15% limit on issuing(or agreeing to issue) Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 14 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

a. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average price of existing quoted Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; 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.

b. Dilution

As at the date of this Notice of Annual General Meeting, the Company has 477,877,402 Shares on issue. If Shareholders approve Resolution 14, the Company will have the capacity to issue approximately 47,787,740 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

If Resolution 14 is approved by Shareholders and the Company issued Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- i. the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than the date of the Annual General Meeting; and
- ii. 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, 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 of Annual General Meeting.

The table below 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 rate 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 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.008 50% decrease in Issue Price	\$0.016 Issue Price	\$0.024 50% increase in Issue Price
Current Variable A 477,877,402 Shares	Shares issued	47,787,740 New Shares	47,787,740 New Shares	47,787,740 New Shares
	Funds raised	\$382,302	\$764,604	\$1,146,906
50% increase in current Variable A 716,816,103 Shares	Shares issued	71,681,610 New Shares	71,681,610 New Shares	71,681,610 New Shares
	Funds raised	\$573,452	\$1,146,906	\$1,720,358
100% increase in current Variable A 955,754,804 Shares	Shares issued	95,575,480 New Shares	95,575,480 New Shares	95,575,480 New Shares
	Funds raised	\$764,604	\$1,529,208	\$2,293,812

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities.
3. 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%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issued of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.016, being the closing price of the Shares on ASX on 12 April 2022.

c. Issue Period

If Shareholders approve Resolution 14, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- i. The date that is 12 months after the date of this Annual General Meeting;
- ii. The time and date of the Company's next Annual General Meeting; and
- iii. The date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature of scale of activities) or 11.2 (disposal of main undertaking).

(the Additional 10% Placement Period).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

d. Purpose of Issues

The Company can only issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

e. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 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:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues 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).

f. Previous issues

The Company has previously obtained Shareholder approval under Listing Rule 7.1A and has not issued any Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

g. Voting exclusion statement

A voting exclusion statement for Resolution 12 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security

holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 14.

Schedule 1 –Terms and Conditions of the unlisted options to be issued under Resolutions 6,7,8,9 and 10

The options will be issued on the following terms:

- (a) the options issued will vest 1/3 after year 1, 1/3 after year 2 and 1/3 after year 3 and be exercised immediately after vesting;
- (b) the options will expire on the earlier of the date which is one month after the Director to whom the options are issued ceases to be a Director of the Company (or such longer period as determined by the board of Directors) or at 5 year after the date of issue (“the Expiry Date”);
- (c) The options shall be exercisable wholly or in part, by notice in writing to the Company, at any time up until the expiry date subject to vesting conditions;
- (d) the holder of options cannot participate in new issues of capital which may be offered to shareholders during the currency of the options without exercising the option;
- (e) Shares issued on the exercise of options will rank pari passu with the then existing issued ordinary shares of the Company;
- (f) In a reorganisation of capital of the Company, the exercise price of the options or the number of shares over which the options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the reorganisation;
- (g) Subject to paragraph (f), neither the exercise price of the options nor the number of shares over which the options can be exercised will be changed to take account of pro rata issues (other than bonus issues);
- (h) In respect of a bonus issue of shares the option holders are only entitled to participate if the options are exercised before the record date for the bonus issue. In the event of a bonus issue, the number of shares over which an option is exercisable will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue;
- (i) The options cannot be transferred without board approval; and
- (j) The options will not be quoted on the ASX.

APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

(Insert name of Member/Body Corporate & ABN/ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company’s representative at all General Meetings of Pacific American Holdings Limited ABN 83 127 131 604.

- (*) 2. To act as the Company’s Representative at the Annual General Meeting to be held commencing 10.00am (Sydney time) on Tuesday 31 May 2022 and any adjournment thereof.

Dated this _____ day of _____

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act 2001* (Cth) in the presence of:

(*) Director

(*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.