

## Notice of Annual General Meeting

NOTICE is given that the Annual General Meeting of Arc Exploration Limited ACN 002 678 640 will be held at Nexia, Level 16, 1 Market Street, Sydney NSW Australia at 2.30pm on Monday 29 May 2017.

### ORDINARY BUSINESS

- 1. Receipt of the Financial Report for the year ended 31 December 2016**  
Receipt of the Company's Financial Report and the Directors' Report and the Auditor's Report for the year ended 31 December 2016.
- 2. Remuneration Report**  
To consider and, if thought fit, pass the following Resolution as an ordinary resolution:  
"That the Remuneration Report for the year ended 31 December 2016 be adopted."
- 3. Re-elect Mr Robert Willcocks as a Director of the Company**  
To consider and, if thought fit, pass the following Resolution as an ordinary resolution:  
"That Mr Robert Willcocks, who retires in accordance with the Constitution of the Company and being eligible, be re-elected as a Director of the Company."
- 4. Elect Mr Simon O'Loughlin as a Director of the Company**  
To consider and, if thought fit, pass the following Resolution as an ordinary resolution:  
  
"That Mr Simon O'Loughlin, having been appointed as a Director in accordance with the terms of the Constitution of the Company and being eligible, be elected as a Director of the Company."
- 5. Elect Mr Simon Taylor as a Director of the Company**  
To consider and, if thought fit, pass the following Resolution as an ordinary resolution:  
"That Mr Simon Taylor, having been appointed as a Director in accordance with the terms of the Constitution of the Company and being eligible, be elected as a Director of the Company."
- 6. Elect Mr Andrew Cooke as a Director of the Company**  
To consider and, if thought fit, pass the following Resolution as an ordinary resolution:  
"That Mr Andrew Cooke, having been appointed as a Director in accordance with the terms of the Constitution of the Company and being eligible, be elected as a Director of the Company."

### VOTING EXCLUSIONS – KEY MANAGEMENT PERSONNEL (KMP):

RESOLUTION 2:

The Company will disregard any votes cast on Resolution 2:

- by or on behalf of a member of the KMP (as defined in Section 9 of the Corporations Act 2001 (Cth)) details of whose remuneration are included in the Remuneration Report;
- by or on behalf of a closely related party (as defined in Section 9 of the Corporations Act 2001 (Cth) such as close family members and any controlled companies) of a member of the KMP; or
- as a proxy by a member of the KMP or a KMP's closely related party,

unless the vote is cast as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form.

Important Notice for Resolution 2: If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on Resolution 2, the Chairman will vote, as proxy for that shareholder, in favour of Resolution 2.

Dated at Sydney, on the 24<sup>th</sup> day of April 2017

By order of the Board  
Andrew J. Cooke  
Company Secretary



**2016 Annual Report:**

The 2015 Annual Report is available on the Company's Website:

[www.arcexploration.com.au](http://www.arcexploration.com.au) and [http://www.arcexploration.com.au/IRM/content/newsreports\\_annual.html](http://www.arcexploration.com.au/IRM/content/newsreports_annual.html)

**Proxies**

- A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two proxies to attend and vote instead of the shareholder.
- Where two proxies are appointed:
  - (i) a separate proxy Form, should be used to appoint each proxy;
  - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held e.g. "the Chair of the Meeting".
- In the case of shareholders who are individuals, the Proxy Form must be signed:
  - (i) if the shares are held by one individual, by that shareholder;
  - (ii) if the shares are held in joint names, by any one of them.
- In the case of shareholders who are companies, the Proxy Form must be signed:
  - (i) if it has a sole director who is also sole secretary, by that director (and stating the fact next to, or under the signature on the Proxy Form);
  - (ii) in the case of any other company by either two directors or a director and secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.

- If the person signing the Proxy Form is doing so under a power of attorney, or is an officer of a company outside those referred to above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy form, must be received by the Company by the time and at the place specified below.
- A Proxy Form accompanies this notice. To be effective, your proxy must be received by the Company no later than 48 hours before the time for the holding of the meeting:
  - (i) **Online** : Log in as an investor at <https://www.advancedshare.com.au/home>
  - (ii) by **facsimile** : on (08) 9262 3723 (within Australia) or +61 8 9262 3723 (from outside of Australia);
  - (iii) by **mail** :  
Arc Exploration Limited  
PO Box 1156  
Nedlands WA 6909  
Australia

**SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

In accordance with the *Corporations Act 2001 (Cth)*, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00pm on 27 May 2017.

## **EXPLANATORY STATEMENT**

### **Financial Report – Year ended 31 December 2016**

The Corporations Act requires the financial report (which includes the financial statements and the directors' declaration), the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the financial report.

A representative of the Auditor will be attending the Annual General Meeting.

As a shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor's report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than 17 May 2017. All questions must be sent to the Company and may not be sent direct to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will answer written questions submitted prior to the Annual General Meeting.

The Auditor will also answer questions at the meeting from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

### **Resolution 2 – Remuneration Report**

The Directors' report for the year ended 31 December 2016 contains a Remuneration Report which sets out the policy on remuneration of the Directors of the Company and specified executives of the Company.

The Directors believe that the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate for the size of the Company, its business and objectives.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory and does not bind the Directors of the Company. However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, shareholders will then vote to determine whether the Directors, excluding the CEO, will need to stand for re-election (a "Spill Resolution"). If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

At the Company's 2016 annual general meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, a Spill Resolution cannot be put at this meeting.

Members attending the annual general meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

**Resolution 3 – Re-election of Mr. Robert Willcocks as a Director**

Mr Willcocks is a former senior partner with Mallesons Stephen Jaques, the major Australian law firm and is now a corporate adviser.

Mr Willcocks has represented clients in the energy and mining sectors for more than 30 years. He is currently a Non-Executive Director of APAC Resources Limited (a Hong Kong listed resource investment company), Living Cell Technologies Limited and Non-Executive Chairman of Trilogy Funds Management Limited.

Mr. Willcocks was appointed to the Board as a Non-Executive Director on 14 July 2008.

Mr. Willcocks is Chairman of the Audit Committee.

**Resolution 4 – Election of Mr. Simon O'Loughlin as a Director**

Mr. O'Loughlin is a Partner of O'Loughlins Lawyers Real Estate and Corporate & Commercial Groups. Simon holds a Law Society (SA) Certificate in Law as well as a Bachelor of Arts (Accounting) from the University of South Australia. He is admitted to the South Australian and New South Wales Supreme Courts and High Court of Australia. Simon was a Partner at O'Loughlin Robertson, and also Minter Ellison Baker O'Loughlin, where he was a member of the Executive Committee and the Finance Partner. He founded O'Loughlins Lawyers in 1993.

Mr. O'Loughlin was appointed to the Board as Non-Executive Chairman on 11 October 2016.

Mr. O'Loughlin is a member of the Audit Committee.

**Resolution 5 – Election of Mr. Simon Taylor as a Director**

Mr. Taylor is a geologist with over 25 years' experience in exploration, project assessment and development in the resources sector. He has had a diversified international career as a resources professional at both a technical and corporate level. His experience spans a range of commodities including gold, fertilisers (phosphate and potash), base metals, nickel, uranium, coal and coal seam methane. He is currently Managing Director of Oklo Resources Limited and a non-executive director with Chesser Resources Limited. He is a member of the Australian Institute of Geoscientists and a graduate of Sydney University.

Mr. Simon Taylor was appointed to the Board as a Non-Executive Director on 11 October 2016.

Mr. Taylor is a member of the Audit Committee.

**Resolution 6 – Election of Mr. Andrew Cooke as a Director**

Mr. Cooke holds a law degree from the University of Sydney and has over 20 years' involvement in the corporate arena primarily engaged in the resource, biotech and property sectors. He has worked throughout the Australasian region and in North America and acquired extensive experience in capital raising, joint ventures, strategic alliances, project financing, corporate governance and listing requirements. He has worked with Arc Exploration Limited since 1992 and been extensively involved in its operations in both Australia and Indonesia.


Mr. Cooke was appointed to the Board as a Non-Executive Director on 11 October 2016.

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

## Form of Proxy


Please mark  to indicate your directions

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

 **PLEASE NOTE:** This proxy is solicited on behalf of the management of Arc Exploration Limited ACN 002 678 640 (the "Company") for use at the meeting of the shareholders of the Company to be held at Nexia, Level 16, 1 Market Street, Sydney NSW Australia at 2.30pm on Monday 29 May 2017 or any adjournment thereof (the "Meeting").


I/We being a member/s of Arc Exploration Limited hereby appoint

the Chairman of the meeting **OR**

 **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.


or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following:  
 Proxy 1 is appointed to represent \_\_\_\_\_% of my voting right and Proxy 2 is appointed to represent \_\_\_\_\_% of my total votes.  
 My total voting right is \_\_\_\_\_ shares.

 **PLEASE NOTE:** If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

### STEP 2 Items of Business

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

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

	FOR	AGAINST	ABSTAIN
Resolution 2 – Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Mr. Robert Willcocks as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Election of Mr. Simon O'Loughlin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Election of Mr. Simon Taylor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Election of Mr. Andrew Cooke as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR each of the resolutions.

### SIGN Signing by member

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

**Individual or Member 1**       **Member 2 (if joint holding)**       **Member 3 (if joint holding)**      \_\_\_\_\_ / \_\_\_\_\_  
 Sole Director and Sole Secretary      Director/Company Secretary      Director      Date

### Lodge your vote:



**By Mail:**

Arc Exploration Limited  
C/- Advanced Share Registry Limited  
PO Box 1156  
Nedlands WA 6909

Alternatively you can fax your form to  
Facsimile: +61 (0) 8 9262 3723

For Online Vote

<https://www.advancedshare.com.au/home>

### For all enquiries call:

Telephone: +61 (0) 8 9389 8033

Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

## Proxy Form

### Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows: Shareholders must deliver their proxies prior to 2.30pm (AEDT) on Monday 29 May 2017 by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at +61 (0) 8 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7.00pm (AEDT) on 27 May 2017 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

**Turn over to complete the form →**



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