

# NIUMINCO GROUP LIMITED

ABN 44 009 163 919

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Niuminco Group Limited (ACN 009 163 919) ("**Company**") will be held at Narrabeen Beach Surf Life Saving Club, Ocean Street, Narrabeen NSW on Friday, 30<sup>th</sup> November 2018 commencing at 11.00 am.

### ORDINARY BUSINESS

#### 1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Director's and auditor's reports for the year ending 30 June 2018

#### 2. Resolution 1 – Re-election of a Director – Mr John Nethery

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

*"That, for all purposes, Mr John Nethery, who was appointed as an additional Director on 9 March 2018 and, being eligible, offers himself for election, is hereby re-elected as a Director."*

#### 3. Resolution 2 – Re-election of a Director – Mr Lawrence Chartres

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

*"That, for all purposes, Mr Lawrence Chartres, who was appointed as an additional Director on 9 March 2018 and, being eligible, offers himself for election, is hereby re-elected as a Director."*

#### 4. Resolution 3 - Approval of Remuneration Report

To consider and, if thought fit, pass the following **advisory only resolution**:

*"That, for the purposes of section 250R of the Corporations Act and for all other purposes, Shareholders approve the Remuneration Report for the year ending 30 June 2017."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution 3 by any member of the Key Management Personnel or their Closely Related Parties.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, if the Chairman is expressly authorised to vote as the Chairman decides by the Proxy Form. The Chairman of the meeting is so authorised and intends to vote all available undirected proxies in favour of Resolution 3.

## 5. Resolution 4 – Approval of 10% Placement Facility

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

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

### Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

### Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

### Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 12 noon (AEST) on 29<sup>th</sup> November 2017. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

## By Order of the Board of Directors



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**Mr Tracey Lake**  
**Company Secretary**  
30<sup>th</sup> October 2018

## Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice.

### 1. Financial Statements and Reports

The *Corporations Act 2001* (Cth) ("**Corporations Act**") requires the annual financial report, the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report. Shareholders who have elected to receive the Annual Report will have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

### 2. Resolution 1 – Re-election of a Director – Mr John Nethery

In accordance with the Constitution, Directors who are appointed to the Board during the year must offer themselves for election at the first Annual General Meeting after their appointment.

Mr Nethery was appointed to the Board on 9 March 2018 and therefore offers himself for re-election.

The Board (excluding Mr Nethery) recommends that Shareholders vote in favour of Resolution 1.

### 3. Resolution 2 – Re-election of a Director – Mr Lawrence Chartres

In accordance with the Constitution, Directors who are appointed to the Board during the year must offer themselves for election at the first Annual General meeting after their appointment

Mr Chartres was appointed to the Board on 9 March 2018 and therefore offers himself for re-election.

The Board (excluding Mr Chartres) recommends that Shareholders vote in favour of Resolution 2.

### 4. Resolution 3 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3)

of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the Annual Report.

If at least 25% of the votes on the Resolution are voted against adoption of the Remuneration Report at two consecutive annual general meetings a spill resolution will be required to be put to the vote at the second of those annual general meetings.

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel or any Closely Related Party as your proxy, other than the Chairman, to vote on Resolution 3 then **you must direct the proxy on how they are to vote**. If your proxy is a member of Key Management Personnel or any Closely Related Party, other than the Chairman, and you do not direct your proxy on how to vote on Resolution 3, your vote will not be counted in computing the required majority.

If you appoint the Chairman as your proxy, and do not direct him how to vote, the Chairman will vote your proxy as he decides. The Chairman intends voting all undirected proxies in favour of Resolution 3.

Please see the Proxy Form for further information on such appointments.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

## **5. Resolution 4 – Approval of 10% Placement Facility**

### **5.1 General**

Listing Rule 7.1A enables eligible entities to issue equity securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's annual general meeting ("**10% Placement Facility**").

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility.

The exact number of equity securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

### **5.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

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

#### **(b) Equity Securities**

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

As at the date of the Notice, the Company has the following equity securities on issue:

- (i) 2,710,160,070 Ordinary Shares.

(c) **Formula for calculating 10% Placement Facility**

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

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

**A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%.

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

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

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

The actual number of equity securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) **Minimum Issue Price**

The issue price of equity securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the equity securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("**10% Placement Period**").

**5.3 Specific information required by Listing Rule 7.3A**

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

- (a) The equity securities will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 ASX trading days immediately before:
  - (i) the date on which the price at which the equity securities are to be issued is agreed; or
  - (ii) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). 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 on 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 or the equity securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the equity securities.

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

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) 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		
		\$0.001 50% decrease in Market Price	\$0.002 Current Market Price	\$0.004 100% increase in Market Price
<b>Current Variable A</b> 2,710,160,070	<b>10% Voting Dilution</b>	271,016,007Shares	271,016,007Shares	271,016,007Shares
	<b>Funds raised</b>	\$271,016	\$542,032	\$1,084,064
<b>50% increase in current Variable A</b> 4,065,240,105	<b>10% Voting Dilution</b>	406,524,011Shares	406,524,011Shares	406,524,011Shares
	<b>Funds raised</b>	\$406,524	\$813,048	\$1,626,096
<b>100% increase in current Variable A</b> 5,420,320,140	<b>10% Voting Dilution</b>	542,032,014Shares	542,032,014Shares	542,032,014Shares
	<b>Funds raised</b>	\$542,032	\$1,084,064	\$2,168,128

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

1. The Company issues the maximum number of equity securities available under the 10% Placement Facility.
2. No Listed Options (including any Listed Options issued under the 10% Placement Facility) 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 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
5. The table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
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 \$0.002, being the closing price of the Shares on ASX on 29th October 2018.

- (c) The Company will only issue and allot the equity securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the equity securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the equity securities under the 10% Placement Facility to raise funds for working capital, for geochemical sampling and drilling on the Company's projects and as consideration for the acquisition of assets or to pay for services provided to the Company or its subsidiaries. Accordingly, equity securities may be issued for non-cash consideration.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
  - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing security holders can participate;
  - (iii) the effect of the issue of the equity securities on the control of the Company;

- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

If the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) The Company obtained Shareholder approval under Listing Rule 7.1A at its 2017 Annual General Meeting. No ordinary shares have been issued pursuant to this approval. The total number of equity securities issued in the twelve months preceding the date of the meeting is 503,886,194 Ordinary Shares representing 22.8% of the equity securities on issue at the commencement of period.

Details of all issues of equity securities during the 12 months preceding the date of the meeting are as follows:

Dates of Issues:	5/12/2017,9/01/2018,17/01/2018,26/03/2018,23/04/2018,28/05/2018,12/06/2018,24/07/2018,9/08/2018,2/10/2018
Number issued	318,976,136
Class/type of securities:	Ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Placement to sophisticated and professional investors and a pro-rata rights issue
Price:	0.2 cent per share (\$0.002 per share)
Discount to market (if any):	Nil
Total cash consideration received:	\$637,952
Amount of cash consideration spent:	\$637,952
Use of cash consideration:	Working capital
Intending use of remaining amount of cash (if any)	n/a

Dates of Issues:	28/05/2018,24/07/2018,9/08/2018,6/09/2018
Number issued	104,910,058
Class/type of securities:	Ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Placement to sophisticated and professional investors
Price:	0.2 cent per share (\$0.002 per share)
Discount to market (if any):	Nil
Total cash consideration received:	Nil – Debt converted to equity
Amount of cash consideration spent:	Nil – Debt converted to equity
Use of cash consideration:	n/a
Intending use of remaining amount of cash (if any)	n/a



Date of Issue:	6/09/2018
Number issued	80,000,000
Class/type of securities:	Ordinary shares
Name of persons who received securities or basis on which those persons was determined:	Placement to sophisticated investor
Price:	0.125 cent per share (\$0.00125)
Discount to market (if any):	16.67%
Total cash consideration received:	\$100,000
Amount of cash consideration spent:	\$100,000
Use of cash consideration:	Working capital
Intending use of remaining amount of cash (if any)	n/a

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

TERM	MEANING
<b>10% Placement Facility</b>	as defined in section 5.1 of the Explanatory Statement
<b>10% Placement Period</b>	as defined in section 5.2(f) of the Explanatory Statement
<b>Annual General Meeting</b>	the annual general meeting convened by this Notice
<b>ASX</b>	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange
<b>Chairman</b>	the person who chairs the Annual General Meeting convened by this Notice
<b>Closely Related Party</b>	<p>a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:</p> <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of that member's spouse;</li><li>(c) a dependent of that member or of that member's spouse;</li><li>(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;</li><li>(e) a company that is controlled by that member; or</li><li>(f) any other person prescribed by the regulations.</li></ul>
<b>Company</b>	Niuminco Group Limited
<b>Constitution</b>	the Constitution of the Company
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth)
<b>Director</b>	a Director of the Company
<b>Explanatory Statement</b>	the explanatory statement accompanying and forming part of the Notice
<b>Key Management Personnel</b>	the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	the Listing Rules of the ASX
<b>Notice</b>	this Notice of Annual General Meeting of which the Explanatory Statement forms part

<b>Proxy Form</b>	the proxy form attached to the Notice
<b>Remuneration Report</b>	the section of the Directors' Report contained in the Annual Report entitled "Remuneration Report"
<b>Resolution</b>	a resolution contained in this Notice
<b>Share</b>	an ordinary fully paid share in the capital of the Company
<b>Shareholder</b>	a holder of Shares
<b>VWAP</b>	the volume weighted average price