

**CHESSER RESOURCES LIMITED**

**ACN 118 619 042**

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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**Date of Meeting**

Tuesday, 26 November 2019

**Time of Meeting**

11.00 am (Australian Eastern Daylight Savings time)

**Place of Meeting**

**Level 5, 56 Pitt Street  
Sydney NSW 2000**

<p>This Notice of Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.</p>
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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Chesser Resources Limited ACN 118 619 042 (**Company**) will be held on Tuesday, 26 November 2019, commencing at 11.00am (Australian Eastern Daylight Savings time) at **Level 5, 56 Pitt Street, Sydney NSW 2000**. Registration will commence immediately prior to the Meeting.

An online version of the Company's 2019 Annual Report can be downloaded or viewed at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

### ORDINARY BUSINESS

#### Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report and the financial statements of the Company for the financial year ended 30 June 2019.

#### Resolutions

##### 1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following Resolution as an ordinary Resolution under section 250R (2) of the Corporations Act:

*"That the Remuneration Report for the financial year ended 30 June 2019 as set out in the Company's 2019 Annual Report be adopted."*

**Note:** Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at that second annual general meeting on an additional resolution on whether another meeting should be held at which all of the Directors, other than the Managing Director, must stand for re-election. Please see the Explanatory Memorandum for further information.

**Voting Exclusion:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- i. the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- ii. the person is the Chair of the Meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and

- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

## **2. Re-election of Director, Mr Simon Taylor**

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

*"That Mr Simon Taylor, who retires as a Director of the Company pursuant to rule 6.1 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Taylor or any associate of Mr Taylor.

## **3. Ratification of prior issue of 24,375,000 Shares**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,375,000 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

## **4. Ratification of prior issue of 9,084,297 Shares**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,084,297 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

## **5. Ratification of prior issue of 22,422,998 Shares**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,422,998 Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

## 6. Approval to issue Shares to Lead Manager

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 1,890,438 Shares to Taylor Collison or its nominees on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Taylor Collison Pty Ltd or an Associate of Taylor Collison Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

## 7. Approval to issue Options to Lead Manager

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Options to Taylor Collison Pty Ltd or its nominees on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Taylor Collison Pty Ltd or an Associate of Taylor Collison Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting 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.

## 8. Approval to issue Shares to Director – Mr Michael Brown

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

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 333,333 Shares to Mr Michael Brown and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Brown (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting 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.

## 9. Approval to issue Shares to Director – Mr Stephen Kelly

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

*"That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Shares to Mr Stephen Kelly and / or his nominees in accordance with the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Kelly (and his nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not excluded from voting on this Resolution, it is cast by the person chairing the meeting 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.

## **SPECIAL BUSINESS**

### **10. Approval of additional 10% placement capacity**

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

*"That, for the purposes of ASX 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) (10% Placement Capacity) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Capacity and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any of their Associates, unless it is cast:

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

## **ATTENDANCE AND VOTING AT THE MEETING**

### **Voting entitlement**

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company's share register at 7.00pm (Australian Eastern Daylight Savings time) on Sunday, 24 November 2019 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

### **Voting at the Meeting**

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolution 10 is a special resolution; all other resolutions are ordinary resolutions.

The passing of each Resolution arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, corporate representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, corporate representative or attorney, will have one vote for each Share held by that person.

### **Voting by proxy**

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder's behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 11.00am (Australian Eastern Daylight Savings time) on Monday, 25 November 2019 being 24 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to take the following steps:

- i. cast the Shareholder's vote online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and entering the Shareholder's Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form;
- (b) complete and lodge the Proxy Form at the share registry of the Company, Computershare Investor Services Pty Limited:
  - (i) by post at the following address:
 

Computershare Investor Services Pty Limited  
GPO Box 242  
MELBOURNE VIC 3001
  - OR
  - (ii) by facsimile on 1800 783 447 (within Australia) or +61 9473 2555 (outside Australia);
- (c) enter [www.investorvote.com.au](http://www.investorvote.com.au) directly into your smart phone and follow the instructions on your personalised proxy form or scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone; or
- (d) for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution 1 may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

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

### Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on the Resolutions even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R (5) of the Corporations Act you must direct your proxy how to vote on Resolution 1, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

#### **Voting by corporate representative**

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

#### **Voting by attorney**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 24 hours prior to the commencement of the Meeting.

DATED 21 October 2019

**BY ORDER OF THE BOARD  
CHESSEY RESOURCES LIMITED**

**STEPHEN KELLY  
COMPANY SECRETARY**

## EXPLANATORY MEMORANDUM

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### IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Chesser Resources Limited to be held on 26 November 2019 at 11.00 am (Australian Eastern Daylight Savings time). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 21 October 2019.

### BACKGROUND TO THE RESOLUTIONS

#### ORDINARY BUSINESS

##### Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Pitcher Partners, if the question is relevant to:

- i. the content of the Auditor's report; or
- ii. the conduct of its audit of the financial statements to be considered at the Meeting.

**Note:** Under section 250PA(1) of the Corporations Act a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

Written questions for Pitcher Partners must be delivered by 7 November 2019 to the address listed on the Proxy Form attached to this Notice of Meeting.

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### 1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

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#### 1.1 Background

The Annual Report for the year ended 30 June 2019 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2019 Annual Report is available to download or view on the Company's website at [www.chesserresources.com.au](http://www.chesserresources.com.au). The 2019 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.



The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

## **1.2 Two strikes**

If 25% or more of votes that are cast on this non-binding Resolution are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (i) all of the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (ii) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

At the 2018 Annual General Meeting, Shareholders voted in favour of the Remuneration Report.

## **1.3 Board Recommendation**

The Board unanimously recommends that Shareholders vote **FOR** Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

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## **2. Resolution 2 – Re-election of Director, Mr Simon Taylor**

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### **2.1 Background**

In accordance with ASX Listing Rule 14.4 and clause 6.1 of the Company's Constitution, a Director must not hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is the longer. A Director who retires in accordance with these requirements is eligible for re-election.

Mr Taylor was re-elected to the Board in 2016, accordingly Mr Taylor must retire at the end of the Meeting and offers himself for re-election.

A resume for Mr Taylor is as follows:

*Mr Taylor is a geologist with 20 years ' experience throughout Australia and overseas having held senior geologist and exploration manager positions for numerous ASX listed resource companies. He has gained considerable experience in exploration, project assessment and joint venture negotiations. His experience includes providing consulting services to resource companies and financial corporations as a resource analyst. Mr Taylor's corporate experience includes project appraisal, advice on placements and fundraising . He is a member of the Australian Institute of Geoscientists and is the Managing Director of Oklo Resources Limited and Non-Executive Director of ARC Exploration Limited and Bod Australia Limited.*

Resolution 2 is an ordinary Resolution.

## 2.2 *Board Recommendation*

The Board (with Mr Taylor abstaining) recommends that Shareholders vote **FOR** Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

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### **3 Resolutions 3 to 10 – Resolutions relating to share capital**

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Resolutions 3 to 10 (inclusive) are Resolutions relating to the Company's share capital.

**Table 1** below sets out the potential dilutionary impact of Resolutions 3 to 10 (inclusive) on the Share capital of the Company

**Table 1 – Potential Dilutionary Effect of Resolutions 3 to 10**

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options and Performance Shares (number)	Options and Performance Shares (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
3, 4 and 5	Current issued capital (including Shares to be ratified pursuant to Resolutions 3, 4 and 5)	280,287,476	280,287,476	100%	90%	65,219,048	65,219,048	100%	19%	345,506,524	345,506,524
6	Approval to issue Shares	1,890,438	282,177,914	1%	91%	-	65,219,048	0%	19%	1,890,438	347,396,962
7	Approval to issue Options	-	282,177,914	0%	91%	2,000,000	67,219,048	3%	19%	2,000,000	349,396,962
8	Approval to issue Shares to Director - M Brown	333,333	282,511,247	0%	91%	-	67,219,048	0%	19%	333,333	349,730,295
9	Approval to issue Shares to Director - S Kelly	250,000	282,761,247	0%	91%	-	67,219,048	0%	19%	250,000	349,980,295
10	Approval of additional 10% placement capacity under ASX Listing Rule 7.1A	28,276,125	311,037,372	9%	100%	-	67,219,048	0%	18%	28,276,125	378,256,420

The above tables reflect the maximum number of equity securities that may be issued by the Company if the relevant Resolution is approved and assuming that no other equity securities are issued by the Company.

Please refer to the explanatory information for each of the Resolutions included in this Notice of Meeting for additional information.

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#### **4. Resolution 3 – Ratification of prior issue of Shares**

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##### **4.1 Background**

On 23 May 2019, the Company completed a placement 24,375,000 Shares at an issue price of \$0.04 per Share to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act (**Capital Raising**). The allottees were professional and sophisticated applicants, none of whom are related parties of the Company, as determined by the Board and broking firms who assisted in the Capital Raising. 24,375,000 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

##### **4.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

##### **4.3 Technical information**

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 24,375,000 Shares were issued pursuant to ASX Listing Rule 7.1;
- (b) the issue price was \$0.04 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act. The Shares were issued to exempt and sophisticated investors. None of these investors are related parties of the Company; and
- (e) \$975,000 was raised under the Capital Raising, the funds raised were used by the Company for an RC exploration drilling program at the Diamba Sud project in Senegal and for general working capital purposes.

##### **4.4 Board Recommendation**

The Board recommends that Shareholders vote FOR Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

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## 5. Resolutions 4 and 5 – Ratification of prior issue of Shares

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### 5.1 *Background*

On 19 September 2019 the Company completed a placement 31,507,295 Shares at an issue price of \$0.06 per Share to sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act (**Capital Raising**). The allottees were professional and sophisticated applicants, none of whom are related parties of the Company, as determined by the Board and broking firms who assisted in the Capital Raising. 9,084,297 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 and 22,422,998 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A.

Resolutions 4 and 5 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares.

### 5.2 *Issue Pursuant to ASX Listing Rule 7.1*

As described in section 7.1, 9,084,297 Shares were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 prohibits the Company (subject to certain exceptions such as pro-rata issues) from issuing or agreeing to issue equity securities (such as Shares and Options) representing more than 15% of the Company's total issued securities, during a rolling 12-month period, without Shareholder approval (15% Threshold).

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 9,084,297 Shares issued pursuant to ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 5.3 *Issue Pursuant to ASX Listing Rule 7.1A*

As described in section 7.1, 22,422,998 Shares were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 26 November 2018.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which 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 ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 22,422,998 Shares issued pursuant to ASX Listing Rule 7.1A

By ratifying the issue, the subject of Resolutions 4 and 5, the base figure (ie variable “A”) in which the Company’s 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. It is noted that the Company’s use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 10 being passed by the requisite majority.

#### **5.4      *Technical information***

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 4 and Resolution 5:

- (a) 9,084,297 Shares were issued pursuant to ASX Listing Rule 7.1 and 22,422,998 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price for all Shares was \$0.06 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Exempt Investors pursuant to section 708(8) of the Corporations Act. The allottees were professional and sophisticated applicants, none of whom are related parties of the Company, as determined by the Board, and the Lead Manager; and
- (e) After paying the expenses of the Placement, the funds raised are intended to be used for the following purposes:
  - i. a drill campaign comprising 2,000 metres of diamond drilling and 2,500 metres of RC drilling to be undertaken at the Company’s Diamba Sud project commencing late October 2019 (subject to weather conditions); and
  - ii. general working capital purposes.

#### **5.5      *Board Recommendation***

- (a) The Board recommends that Shareholders vote in favour of Resolution 4.
- (b) The Board recommends that Shareholders vote in favour of Resolution 5.
- (c) The Chair intends to vote undirected proxies in favour of Resolution 4.
- (d) The Chair intends to vote undirected proxies in favour of Resolution 5.

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## **6 Resolution 6 – Approval to issue Shares to Lead Manager**

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### **6.1 Background**

This Resolution seeks Shareholder approval for the issue of up to 1,890,438 Shares in consideration for services provided by Taylor Collison Pty Ltd as the Lead Manager for the Placement described in section 5.1 of this Explanatory Memorandum.

The Company engaged Taylor Collison Pty Ltd to act as Lead Manager for the Placement. In consideration for services provided in connection with the Placement, the Company agreed to pay to Taylor Collison Pty Ltd a Lead Manager Fee of 6% of the gross proceeds received by the Company pursuant to the Placement. To preserve the Company's cash resources, Taylor Collison Pty Ltd has, subject to shareholder approval, agreed to receive payment of the Lead Manager Fee of \$113,426.26 (exclusive of GST) in the form of 1,890,438 fully paid ordinary shares in the Company at an issue price of \$0.06 being the price at which Shares were issued to investors under the Placement as described in section 5.1 of this Explanatory Memorandum.

The effect of Resolution 6 will be to allow the Company to issue these Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **6.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares:

- (a) the maximum number of Shares to be issued is 1,890,438;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). The issue of the Shares is expected to occur in one tranche;
- (c) the Shares will be issued in settlement of the Lead Manager Fee of \$113,426.26 (exclusive of GST) for services provided by Taylor Collison Pty Ltd as Lead Manager of the Placement described in Section 5.1 of this Explanatory Memorandum;
- (d) the issue price of the Shares will be \$0.06;
- (e) the Shares to be issued are fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Shares will be issued to Taylor Collison Pty Ltd and / or its nominees, none of whom is a related party of the Company.

### **6.3 Directors Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

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**7 Resolution 7 – Approval to issue Options to Lead Manager**

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**7.1 Background**

This Resolution seeks Shareholder approval for the issue of up to 2,000,000 Options as partial consideration for services provided by Taylor Collison Pty Ltd as the Lead Manager for the Placement described in section 5.1 of this Explanatory Memorandum.

As described in Section 6.1 of this Explanatory Memorandum, the Company engaged Taylor Collison Pty Ltd to act as Lead Manager for the Placement and the Entitlement Offer. In consideration for services provided in connection with the Placement, the Company agreed to pay to Taylor Collison Pty Ltd a Lead Manager Fee of 6% of the gross proceeds received by the Company pursuant to the Placement.

As an additional fee for services provided in connection with the Placement, Taylor Collison Pty Ltd shall, subject to Shareholder approval, be issued with 2,000,000 Options on the terms set out in Schedule 1.

The effect of Resolution 7 will be to allow the Company to issue these Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

**7.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Options:

- (a) the maximum number of Options to be issued is 2,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). The issue of the Options is expected to occur in one tranche;
- (c) the Options will be issued for nil cash consideration, in consideration for services provided by Taylor Collison Pty Ltd in connection with the Placement;
- (d) the Options will be issued to Taylor Collison Pty Ltd and / or their nominees, none of whom are a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options as they are being issued in consideration for corporate broking and advisory services provided by Taylor Collison Pty Ltd.

**7.3 Directors Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7.

Chair intends to vote undirected proxies in favour of Resolution 7.



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## 8 Resolutions 8 and 9 – Approval to issue Shares to Directors

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### 8.1 Background

On 19 September 2019, the Company entered into agreements with certain of its Directors whereby the Directors agreed to subscribe for Shares in the Company at a price of \$0.06 per Share, being the same price at which the placement of 31,507,295 Shares was made to non-related sophisticated and exempt investors pursuant to section 708(8) of the Corporations Act as described in Section 5.1 of this Explanatory Memorandum.

A summary of the agreements entered into with Directors is presented below:

Director	Number of shares to be issued	Price per share	Funds to be paid by the Director
Michael Brown	333,333	\$0.06	\$20,000
Stephen Kelly	250,000	\$0.06	\$15,000
	<b>583,333</b>		<b>\$35,000</b>

The completion of the agreements and issuance of the Shares is subject to Shareholder approval.

### 8.2 General

Pursuant to Resolutions 8 and 9 the Company is seeking Shareholder approval for the issue of up to 583,333 Shares to Directors at an issue price of \$0.06 per Share to raise up to \$35,000 (**Director Placement**).

Messrs Brown and Kelly wish to participate in the Director Placement.

Resolutions 8 and 9 seek Shareholder approval for the issue of up to 583,333 Shares to Messrs Brown and Kelly (or their nominees) arising from the participation by Messrs Brown and Kelly in the Director Placement.

### 8.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Shares constitutes the giving of a financial benefit and each of the Directors to whom the Shares are proposed to be issued, is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issues of the Shares the subject of Resolutions 8 and 9, because the proposed issue of Shares is on the same terms and conditions as Shares that were issued to non-related sophisticated investors at the same time that the agreements were entered into with the Directors and can therefore be considered to be on an arm's length basis.

#### 8.4 *ASX Listing Rule 10.11*

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Director Placement involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

#### 8.5 *Technical information*

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Directors and / or their nominees pursuant to Resolutions 8 and 9:

- (a) The names of the Directors to whom the Shares are to be issued are Mr Michael Brown and Mr Stephen Kelly and / or their nominees as set out below;

Director	Number of shares to be issued	Price per share	Funds to be paid by the Director
Michael Brown	333,333	\$0.06	\$20,000
Stephen Kelly	250,000	\$0.06	\$15,000
	<b>583,333</b>		<b>\$35,000</b>

- (b) the maximum number of Shares to be issued is 583,333 (being the nature of the financial benefit being provided) as set out in the table in section 8.5(a) of this Explanatory Memorandum;
- (c) the Shares will be issued at an issue price of \$0.06 and will raise \$35,000. The funds raised will be used by the Company for a Diamond and RC exploration drilling program at the Diamba Sud Project in Senegal and for general working capital purposes;
- (d) the Shares will rank equally in all respects with existing the Company's existing fully paid ordinary Shares; and
- (e) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the Shares to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

#### 8.6 *Directors Recommendation*

The Board (with Mr Brown abstaining) recommends that Shareholders vote **FOR** Resolution 8.

The Board (with Mr Kelly abstaining) recommends that Shareholders vote **FOR** Resolution 9.

The Chair intends to vote undirected proxies in favour of Resolutions 8 and 9.

### 9. Resolution 10 – Approval of additional 10% placement capacity

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#### 9.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$19,900,411 as at 11 October 2019.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

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

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.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed. 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 (see below).

#### 9.2 ASX Listing Rule 7.1A

##### (a) Period

An approval under ASX Listing Rule 7.1A must be for a period commencing on the date of the Annual General Meeting at which the approval is obtained and expiring on the first to occur of the following:

- (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 ASX Listing Rule 11.1.2 or 11.2.

##### (b) 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.

##### (c) Equity Securities

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

The Company, as at the date of the Notice, has on issue 2 classes of Equity Securities, being Shares and Options. Only the Company's Shares are quoted.

##### (d) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities that have obtained Shareholder approval at an

AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- plus, the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - plus, the number of partly paid shares that became fully paid in the previous 12 months;
  - plus, the number of Shares issued in the previous 12 months with approval of Shareholders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval; and
  - less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

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

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

At the date of this Notice, the Company has on issue 280,287,476 Shares. The Company therefore has a capacity to issue:

- (i) 42,043,121 Equity Securities under Listing Rule 7.1 (subject to the passing of Resolutions 3,4 and 5); and
- (ii) 28,028,748 Equity Securities under Listing Rule 7.1A (subject to the passing of Resolution 10).

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 3(c) below).

**9.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.2(a)(i) the date on which the Equity Securities are issued.

**(b) *Date of Issue***

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (10% Placement Capacity Period).

**(c) *Risk of voting dilution***

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

**Table 2 – Potential dilutionary impact of Resolution 4**

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0355  (50% decrease in issue price)	\$0.071  (issue price)	\$0.08875  (25% increase in issue price)
280,287,476  (Current Variable "A")	Shares issued - 10% voting dilution	28,028,478 Shares	28,028,478 Shares	28,028,478 Shares
	Funds Raised	\$995,021	\$1,990,041	\$2,487,551
420,431,214  (50% increase in Variable 'A')*	Shares issued - 10% voting dilution	42,043,121 Shares	42,043,121 Shares	42,043,121 Shares
	Funds Raised	\$1,492,531	\$2,985,062	\$3,731,327
560,574,952  (100% increase in Variable 'A')*	Shares issued - 10% voting dilution	56,057,495 Shares	56,057,495 Shares	56,057,495 Shares
	Funds Raised	\$1,990,041	\$3,980,082	\$4,975,103

*\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.*

The table above uses the following assumptions:

1. There are currently 280,287,476 Shares on issue as at the date of this Notice of Meeting.
2. The current issue price set out above is the closing price of the Shares on the ASX on 11th October 2019, being \$0.071.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

7. 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%.
8. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for exploration on the Company's exploration projects located in Senegal and for general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and

- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) ***Previous Approval under ASX Listing Rule 7.1A and disclosure required by ASX Listing Rule 7.3A.6***

The Company has previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 26 November 2018.

In accordance with ASX Listing Rule 7.3A.6, the Company makes the following disclosure:

- (i) During the 12-month period preceding the date of the Meeting, the Company issued the following Equity Securities pursuant to ASX Listing Rule 7.1A:
  - (A) 22,422,998 Equity Securities on 19 September 2019 at an issue price of \$0.06 per share to sophisticated investors. The funds raised of \$1,345,379.88 from this issue have been, or will be, be utilised directly on an exploration drilling program at the Company's Diamba Sud Project comprising 2,000 metres diamond drilling and 2,500 metres RC drilling. Shareholder approval for this issue is sought by Resolution 5 in this Notice of Meeting.
- (ii) The Company issued a further 38,401,295 Shares and 9,000,000 unlisted options as set out in Table 4 during the 12-month period preceding the date of the Meeting.
- (iii) The total Equity Securities issued by the Company during the 12-month period preceding the date of the Meeting as a percentage of the total diluted number of Equity Securities on issue in the Company at 31 October 2018 as summarised in Table 3:

***Table 3 – Issues of Equity Securities since 26 November 2018 as a % of fully diluted equity securities on issue as at 26 November 2018***

Item	Quantity
Shares issued pursuant to Listing Rule 7.1A	22,422,998
Shares issued pursuant to Listing Rule 7.1	34,881,295
Shares issued pursuant to Listing Rule 7.2	3,520,000
Unlisted options issued pursuant to Listing Rule 7.1	2,000,000
Unlisted options issued pursuant to Listing Rule 7.2	7,000,000
<b>Total Equity Securities issued in 12 months prior to the date of the Meeting</b>	<b>69,824,293</b>
Total diluted equity securities on issue at 26 November 2018	254,902,229
<b>Total Equity Securities issued in 12 months prior to the date of the Meeting as a percentage of total diluted equity securities on issue at 26 November 2018</b>	<b>27.4%</b>

Table 4 provides further details of the issues of Equity Securities by the Company in the 12-month period preceding the date of the Meeting:



**Table 4 – Issues of Equity Securities since 26 November 2018**

<b>Date</b>	<b>Quantity</b>	<b>Class</b>	<b>Recipients</b>	<b>Issue price and discount to Market Price</b>	<b>Form of consideration</b>	<b>Use of funds or intended use of funds for remaining consideration</b>
3 January 2019	20,780,000	Fully paid ordinary shares	Sophisticated and exempt investors	Issue Price \$0.038  This was a 5% discount to the market price of \$0.04 immediately prior to the issue.	Cash	The funds were used for Phase 1 of an RC drilling program undertaken at the Company's Diamba Sud project in Senegal.
3 January 2019	2,000,000	Unlisted options	Taylor Collison Pty Ltd Broker Options	Nil	Nil	Options issued as consideration for services provided
17 January 2019	1,246,800	Fully paid ordinary shares	Taylor Collison Pty Ltd	Issue Price \$0.038  This was a 5% discount to the market price of \$0.04 immediately prior to the issue.	Cash – in settlement of invoices for services provided	Funds were used to pay for Lead Manager fees payable in relation to equity funds raised by the Company.
15 March 2019	3,520,000	Fully paid ordinary shares	Shares issued to the following Directors: (a) Simon O'Loughlin (b) Simon Taylor (c) Michael Brown (d) Stephen Kelly	2,920,000 shares were issued at \$0.038 per Share which was a 5% discount to the market price of \$0.04 immediately prior to the issue.	Cash	The funds were used for Phase 1 of an RC drilling program undertaken at the Company's Diamba Sud project in Senegal.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price	Form of consideration	Use of funds or intended use of funds for remaining consideration
				600,000 Shares were issued at \$0.05 per Share which was a 25% premium to the market price immediately prior to the issue.	Nil – issue of Share was funded by a non-recourse loan provided to Michael Brown.	Shares were issues as Director remuneration.
15 March 2019	175,200	Fully paid ordinary shares	Taylor Collison Pty Ltd	Issue Price \$0.038  This was a 5% discount to the market price of \$0.04 immediately prior to the issue.	Cash – in settlement of invoices for services provided	Funds were used to pay for Lead Manager fees payable in relation to equity funds raised by the Company.
15 March 2019	5,500,000	Unlisted Options with an expiry date of 30 November 2021 and an exercise price of \$0.05 per share.	The following Directors of the Company: (a) Simon O'Loughlin (b) Simon Taylor (c) Michael Brown (d) Stephen Kelly	Nil.	Nil.	Options were issued as Director remuneration.
15 March 2019	1,500,000	Unlisted Options with an expiry date of 1 December 2022 and an exercise price of \$0.05 per share.	Key management personnel (excluding Directors).	Nil	Nil	Options were issued as key management personnel remuneration.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price	Form of consideration	Use of funds or intended use of funds for remaining consideration
23 May 2019	24,375,000	Fully paid ordinary shares	Sophisticated and exempt investors	Issue Price \$0.04  This was a 0% discount to the market price of \$0.04 immediately prior to the issue.	Cash	The funds were used for Phase 2 of an RC drilling program undertaken at the Company's Diamba Sud project in Senegal.
19 September 2019	31,507,295	Fully paid ordinary shares	Sophisticated and exempt investors	Issue Price \$0.06  This was a 18% discount to the market price of \$0.073 immediately prior to the issue.	Cash	The funds will be used for an exploration drilling program at the Diamba Sud project comprising 2,000 metres Diamond Drilling and 2,500 metres RC drilling to commence in the December 2019 quarter.

- (g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

#### **9.4        *Voting Exclusion***

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

#### **9.5        *Directors Recommendation***

The Directors recommend that Shareholders vote in favour of Resolution 10.

## Glossary

In this Explanatory Memorandum and the Notice of Meeting:

**AUD, \$, AU\$** are references to the Australian Dollar;

**Annual General Meeting** or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

**Associate(s)** has the meaning given in the Corporations Act;

**ASX** means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

**Board** means the board of Directors of the Company at the date of this Notice;

**Chair** means the chair of the Meeting;

**Closely Related Party** of a member of the Key Management Personnel for an entity, includes:

- i. a spouse or child of the member;
- ii. a child of the member's spouse;
- iii. a dependent of the member or of the member's spouse;
- iv. 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 dealings with the entity;
- v. a company the member controls; or
- vi. a person prescribed as such by the *Corporations Regulations 2001* (Cth);

**Company** means Chesser Resources Limited ACN 118 619 042;

**Constitution** means the constitution of the Company in effect at the time of the Meeting;

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

**Directors** means the directors of the Company being as at the date of this Notice of Meeting, being Simon Taylor, Simon O'Loughlin, Michael Brown and Stephen Kelly;

**Explanatory Memorandum** means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

**Financial Report** means the 30 June 2019 financial report of the Company, a copy of which was lodged with ASX on 30 September 2019 under the announcement "Annual Financial Results";

**Key Management Personnel** means 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);

**Listing Rules** means the official Listing Rules of ASX;

**Notice of Meeting** means the notice of annual general meeting dated 21 October 2019 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

**Proxy Form** means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

**Remuneration Report** means the remuneration report of the Company for the year ended 30 June 2019 contained in the Financial Report;

**Resolution** or **Resolutions** means the resolutions referred to in the Notice of Meeting;

**Share** means a fully paid ordinary share in the Company;

**Shareholder** means a holder of Shares;

**Spill Meeting** has the meaning given in Resolution 1; and

**Spill Resolution** has the meaning given in Resolution 1.

## SCHEDULE 1

### TERMS OF OPTIONS TO BE ISSUED TO TAYLOR COLLISON PTY LTD

1. Each option entitles the holder to one ordinary share in the Company.
2. The options shall have an exercise price of \$0.12 and an expiry of 30 November 2021, vesting immediately.
3. Options not exercised before the expiry of the exercise period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the option holder dies, the legal personal representative of the deceased option holder may:
  - (i) elect to be registered as the new holder of the options;
  - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
8. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rule





## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

CHZ

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00 am (AEDT) Monday, 25 November 2019**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**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.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

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

XX

I/We being a member/s of Chesser Resources Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate 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 (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Chesser Resources Limited to be held at, **Level 5, 56 Pitt Street, Sydney, NSW 2000 on Tuesday, 26 November 2019 at 11:00 am (AEDT)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 8 & 9** (except where I/we have indicated a different voting intention below) even though **Items 1, 8 & 9** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 8 & 9** by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



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

ORDINARY BUSINESS		For	Against	Abstain	SPECIAL BUSINESS		For	Against	Abstain
1	Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director, Mr Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
3	Ratification of prior issue of 24,375,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
4	Ratification of prior issue of 9,084,297 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
5	Ratification of prior issue of 22,422,998 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Approval to issue Shares to Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Approval to issue Options to Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Approval to issue Shares to Director – Mr Michael Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Approval to issue Shares to Director – Mr Stephen Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date

\_\_\_\_/\_\_\_\_/\_\_\_\_

CHZ

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Computershare +