

# **DAVENPORT RESOURCES LIMITED**

## **[ABN 64 153 414 852]**

### **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY MEMORANDUM**

### **PROXY FORM**

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**TIME:** 10:00am (AEDT)

**DATE:** 23 November 2017

**PLACE:** Level 27  
Rialto South Tower  
525 Collins Street  
Melbourne VIC 3000

**DAVENPORT RESOURCES LIMITED**  
**ABN 64 153 414 852**

**NOTICE OF 2017 ANNUAL GENERAL MEETING**

Notice is given that the 2017 Annual General Meeting (the **Meeting**) of Davenport Resources Limited (the **Company** or **Davenport**) will be held at Level 27, Rialto South Tower, 525 Collins Street, Melbourne, VIC, 3000 on Thursday, 23 November 2017 at 10:00am (AEDT).

Further details in respect of each of the Resolutions proposed in this Notice of Annual General Meeting (**Notice**) are set out in the Explanatory Memorandum (the **Memorandum**) accompanying this Notice. The details of the resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

**GENERAL BUSINESS**

**2017 Annual Financial Statements**

To lay before the meeting and consider the 2017 Annual Financial Report of the Company in respect of the year ended 30 June 2017 together with the Directors' Report and the Auditor's Report.

**RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

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

***"That the Company approve the adoption of the Remuneration Report, included in the Directors' Report, for the year ended 30 June 2017."***

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

***Voting Exclusion Statement:***

*A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either 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 (referred to herein as "**Restricted Voters**").*

*However, a person ("**voter**") may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a Restricted Voter and the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1. The Chair may also exercise undirected proxies if the vote is cast on behalf of a person entitled to vote and the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of members of the key management personnel of the Company.*

***Voting Notes:***

*Directors of the Company who are key management personnel whose remuneration details are included in the 2017 Remuneration Report, any other key management personnel whose remuneration details are included in the 2017 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1.*

## **RESOLUTION 2: RE-ELECTION OF MR PATRICK MCMANUS AS A DIRECTOR**

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

***"That Patrick McManus, who retires as a Director by rotation in accordance with Article 59 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."***

## **RESOLUTION 3: ELECTION OF DR CHRIS GILCHRIST AS A DIRECTOR**

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

***"That Chris Gilchrist, a Director appointed to fill a casual vacancy on 28 February 2017, who retires in accordance with Article 57(2) of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company."***

## **RESOLUTION 4: RATIFICATION OF PRIOR ISSUE OF SHARES**

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

***"That for the purpose of ASX Listing Rule 7.4, shareholders ratify the prior issue of 330,000 fully paid ordinary shares as consideration for the provision of investor relations services to the Company at a deemed issue price of \$0.10 (10 cents) per share, as described in the Explanatory Memorandum which accompanied and formed part of this Notice."***

### **Voting Exclusion Statement:**

*The Company will disregard any votes cast on this Resolution by:*

- *persons who participated in the issue; or*
- *any associates of those persons.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as 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 the direction on the proxy form to vote as the proxy decides.*

## **RESOLUTION 5: APPROVAL OF PLACEMENT FACILITY**

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

***"That for the purposes of ASX Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under ASX Listing Rule 7.1A.2 at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Explanatory Memorandum which accompanied and formed part of this Notice."***

**Voting Note:**

If as at the time of the Meeting, the Company:

- is included in the S&P/ASX 300 Index; and/or
- has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of greater than AU\$300 million,

then this Resolution will be withdrawn.

**Voting Exclusion Statement:**

*The Company will disregard any votes cast on this Resolution by:*

- *persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and*
- *an associate of those persons.*

*However, the Company need not disregard a vote on this Resolution if:*

- *it is cast by a person as 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.*

Dated: 24<sup>th</sup> October 2017

By the order of the Board



Christopher Bain  
Managing Director

The accompanying Memorandum and the Proxy and Voting Instructions form part of this Notice.

## PROXY AND VOTING INSTRUCTIONS

Proxy Instructions	Voting Entitlement
<p>A member who is entitled to vote at a meeting may appoint:</p> <ul style="list-style-type: none"><li>• one proxy if the member is only entitled to one vote; and</li><li>• one or two proxies if the member is entitled to more than one vote.</li></ul> <p>Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.</p> <p>The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.</p> <p>The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.</p> <p>The proxy may, but need not, be a member of the Company.</p> <p>A proxy form is attached to this Notice.</p> <p>If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.</p> <p><b>Corporate Representatives</b></p> <p>Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.</p>	<p>For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 5:00pm AEDT on 21 November 2017 (Melbourne time) are entitled to attend and vote at the Meeting.</p> <p>On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.</p> <p><b>How the Chair Will Vote Undirected Proxies</b></p> <p>Subject to the restrictions set out below, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.</p> <p><b>Voting Restrictions on Resolution 1 (Remuneration Report)</b></p> <p>The Remuneration Report identifies key management personnel for the year ended 30 June 2017. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.</p> <p>Directors of the Company who are key management personnel whose remuneration details are included in the 2017 Remuneration Report, any other key management personnel whose remuneration details are included in the 2017 Remuneration Report, or any of their closely related parties, will not be able to vote on Resolution 1 or to vote undirected proxies held by them on Resolution 1, provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.</p> <p><b>Special Resolution</b></p> <p>Resolution 5 is proposed as a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.</p>

**2017 ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of Annual General Meeting (**Notice**) for the Annual General Meeting (**Meeting**) to be held at Level 27, Rialto South Tower, 525 Collins Street, Melbourne, VIC, 3000 on Thursday, 23 November 2017 at 10:00am (AEDT). The Notice incorporates, and should be read together, with this Memorandum.

**BUSINESS**

**2017 Annual Financial Statements**

The 2017 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2017 will be laid before the Meeting.

There is no requirement for Shareholders to approve the Annual Financial Statements. However, Shareholders will have the opportunity to ask questions about, or make comments on, the 2017 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2017 Annual Financial Statements.

The Company's 2017 Annual Financial Statements are set out in the Company's 2017 Annual Report which can be obtained from the Company's website, [www.davenportresources.com.au](http://www.davenportresources.com.au) or upon request to the Company Secretary at the office of the Company, Level 28, 303 Collins Street, Melbourne VIC 3000 (telephone (03 9678 9104)).

**Resolution 1: Non-binding Resolution - Remuneration Report**

As a listed entity, the Company is required pursuant to the Corporations Act 2001 (Cth) (the **Corporations Act**), to propose a non-binding resolution regarding the 2017 Remuneration Report, which forms part of the Director's Report in the 2017 Annual Financial Statements. The vote is advisory only and does not bind the Directors or the Company.

Shareholders attending the 2017 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report.

The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings (**AGM**) (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a **spill resolution**) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election.

As the Company became listed in January 2017, there was no vote on a Remuneration Report at the Company's previous AGM and thus a spill resolution will not be required in the event 25% or more of votes that are cast on Resolution 1 are against the adoption of the 2017 Remuneration Report. However, in the event that 25% or more of votes that are cast on Resolution 1 are against the adoption of the 2017 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more for the same resolution at the 2018 AGM the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, Directors and other members of the key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of those persons must not vote on Resolution 1 and must not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote provided however that the Chair may vote undirected proxies on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

#### **Resolution 2: Re-Election of Mr Patrick McManus as a Director**

Resolution 2 is a resolution for the re-election of Mr Patrick McManus as a Director of the Company.

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to but not more than one-third, but disregarding the Managing Director and Directors appointed to fill casual vacancies, are required to retire by rotation at each AGM. The Company has four Directors, one of whom is the CEO/Managing Director. Accordingly, one Director (other than the Managing Director) is required to retire by rotation at the Meeting.

Mr McManus retires by rotation and, being eligible, offers himself for re-election. Information on Mr McManus is available in the Directors' Report included in the Company's 2017 Annual Report.

The Board (with Mr McManus abstaining) unanimously support the re-election of Mr McManus as a Director of the Company.

#### **Resolution 3: Election of Dr Chris Gilchrist as a Director**

Resolution 3 is a resolution for the election of Dr Chris Gilchrist as a Director of the Company.

Dr Gilchrist was appointed by the Board of the Company to fill a casual vacancy on 28 February 2017.

Pursuant to the Constitution of the Company, a Director appointed to fill a casual vacancy holds office until the next annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who retire by rotation at that meeting.

Dr Gilchrist, being eligible, offers himself for election. Information on Dr Gilchrist is available in the Directors' Report included in the Company's Annual Report.

The Board (with Dr Gilchrist abstaining) unanimously support the election of Dr Gilchrist as a Director of the Company.

#### **Resolution 4: Ratification of prior issue of shares**

Resolution 4 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 330,000 fully paid ordinary shares at a deemed issue price of \$0.10 (10 cents) per share to S3 Consortium Pty Ltd as part consideration for the provision of investor relations services to the Company, as announced to ASX on 25 August 2017.

The shares the subject of Resolution 4 were issued without shareholder approval under ASX Listing Rule 7.1. ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach

ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under Listing Rule 7.1.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- The number of securities issued was 330,000 fully paid ordinary shares;
- The shares were issued at a deemed issue price of \$0.10 (10 cents) per share;
- The shares issued are fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares;
- The shares were issued to S3 Consortium Pty Ltd, which trades as Stocks Digital, as part consideration for the provision of investor relations services to the Company;
- A voting exclusion statement as set out in the Notice applies to this Resolution 4; and
- No funds were raised through the issue. The shares were issued as part consideration for the provision of investor relations services to the Company.

#### **Resolution 5: Approval of placement facility**

ASX has introduced fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12-month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to a company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX 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, at the date of the Notice, an eligible entity.

The Company is 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 (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer below). The Company may use funds raised from any 10% Placement Facility for funding of existing projects or new projects and/or general working capital. It may also use the 10% Placement Facility for non-cash consideration purposes such as in connection with joint venture agreements or arrangements, as payments to consultants or contractors or in connection with the acquisition of new projects (although the Company presently has no current proposal to do so).

The Company has not previously obtained shareholder approval to make issues under ASX Listing Rule 7.1A, and therefore no shares have previously been issued under ASX Listing Rules 7.1A.

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **DESCRIPTION OF LISTING RULE 7.1A**

- 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.

- 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 one class of quoted equity securities, being ordinary shares (**DAV**).

- Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may, during the 10% Placement Period (defined below), issue 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 the issue or agreement to issue:*

- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;*
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;*
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;*
- (iv) less the number of fully paid shares cancelled in the 12 months.*

Note: "A" is has the same meaning in ASX 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 ASX 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 ASX Listing Rules 7.1 or 7.4.*

- ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

As at the date of this Memorandum, the Company has on issue 74,347,282 fully paid ordinary shares and therefore would have capacity to issue:

- (i) 11,152,093 ordinary shares under Listing Rule 7.1 (15% capacity); and
- (ii) subject to shareholders approving this Resolution 5, 7,434,728 ordinary shares under Listing Rule 7.1A (10% capacity).

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

- Minimum Issue Price

The issue price of equity securities issued under ASX 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.

- 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

- ASX Listing Rule 7.1A

The effect of Resolution 5 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

### **SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3A**

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

- Any equity security issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days 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.

- If Resolution 5 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the 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 Meeting; and
  - (ii) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,

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

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares 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 ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the price of ordinary securities has decreased by 50% and increased by 50% as against the closing price of the Company's shares on 17 October 2017.

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.057 50% decrease in Deemed Price	\$0.115 Deemed Price	\$0.172 50% Increase in Deemed Price
<b>Current Variable A</b>  74,347,282 shares	<b>10% Voting Dilution</b>	7,434,728	7,434,728	7,434,728
	<b>Funds raised</b>	<b>\$423,779</b>	<b>\$854,994</b>	<b>\$1,278,773</b>
<b>50% increase in current Variable A</b>  111,520,923 shares	<b>10% Voting Dilution</b>	11,152,092	11,152,092	11,152,092
	<b>Funds raised</b>	<b>\$635,669</b>	<b>\$1,282,491</b>	<b>\$1,918,160</b>
<b>100% increase in current Variable A</b>  148,694,564 shares	<b>10% Voting Dilution</b>	14,869,456	14,869,456	14,869,456
	<b>Funds raised</b>	<b>\$847,559</b>	<b>\$1,709,987</b>	<b>\$2,557,546</b>

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

- *The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.*
- *No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.*
- *The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.*
- *The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule".*
- *The price of ordinary securities is deemed for the purposes of the table above to be \$0.115, being the closing price of the Company's listed securities on ASX on 17 October 2017 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at.*
- *The table does not take into account the issue of any securities for which shareholder approval is being sought at the Meeting.*
- *The table does not demonstrate the effect of listed options being issued under ASX Listing Rule 7.1A, it only considers the issue of the fully paid ordinary securities.*

The Company may seek to issue the equity securities for the following purposes:

- Non-cash consideration – including in connection with joint venture arrangements or agreements, payment of contractors or consultants or in connection with the acquisition of

new projects (although the Company presently has no proposal to do so). In such circumstances, the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

- Cash consideration – in such circumstances, the Company intends to use the funds raised towards advancing existing Company projects, the acquisition of new projects and/or general working capital.

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.

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 factors including but not limited to the following:

- 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;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- 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 the Notice but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

The Company has not previously obtained shareholder approval under ASX Listing Rule 7.1A and therefore no issues of securities have previously been made under ASX Listing Rule 7.1A.

A voting exclusion statement is included in the Notice to which this Memorandum relates. At the date of that 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.

The Directors of the Company unanimously recommend shareholders vote in favour of Resolution 5.

**Note:** unless otherwise specified, all monetary amounts are in Australian dollars.

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«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
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«Address\_line\_4»  
«Address\_line\_5»

«Company\_code» «Sequence\_number»

REGISTERED OFFICE:  
LEVEL 28,  
303 COLLINS STREET  
MELBOURNE VIC 3000

SHARE REGISTRY:  
Security Transfer Australia Pty Ltd  
All Correspondence to:  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

DAV

Holder Number:

«HOLDER\_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
1. Log into the Investor Centre using your holding details.  
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:  

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am AEDT on Thursday 23 November 2017 at Level 27 Rialto South Tower, 525 Collins Street, Melbourne, Victoria, 3000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	*Abstain
1. Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Patrick McManus as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Dr Chris Gilchrist as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am AEDT on Tuesday 21 November 2017.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.