

**PUBLIC HOLDINGS (AUSTRALIA) LTD
ACN 000 332 918**

NOTICE OF ANNUAL GENERAL MEETING

The 2017 Annual General Meeting of the Company will be held at the office of McBain McCartin & Co, Level 1, 123 Whitehorse Road, Balwyn, Victoria on Tuesday, 8 May 2018 at 2.00pm (AEST).

The Notice of Annual General Meeting should be read in their 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.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 3 9817 0700

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

PUBLIC HOLDINGS (AUSTRALIA) LTD

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Public Holdings (Australia) Ltd (**Company**) will be held at the office of McBain McCartin & Co, Level 1, 123 Whitehorse Road, Balwyn, Victoria on Tuesday, 8 May 2018 at 2.00pm (AEST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Monday, 7 May 2018 at 7:00pm (AEST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2017 which includes the Financial Report, the Directors' Report and the Auditor's Report

2. Resolution 1 - Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his or her voting intention on the Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

3. Resolution 2 - Re-election of Director - Peter Chapman

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

"That in accordance with Clause 13.4 of the Constitution and for all other purposes, Mr Peter Chapman, who retires and being eligible, offers himself for re-election, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 3 - Conversion of Convertible Notes

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

"That subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 9,666,667 Shares and 9,666,667 attaching Quoted Options to the Convertible Noteholders (or their nominees) upon conversion of the Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

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

- (a) a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- (b) any associates of those persons.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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. Resolution 4 - Approval to change in nature and scale of activities

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

"That, subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company's activities resulting from the Acquisition and the Capital Raising, 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 a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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. Resolution 5 - Approval to issue Vendor Securities

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

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 32,500,000 Shares;
- (b) 13,000,000 Deferred Consideration Shares; and
- (c) 3,500,000 Unquoted Options,

*(together, **Vendor Securities**), to the Vendors (or their 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:

- (a) a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- (b) any associates of those persons.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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. Resolution 6 - Approval to issue Capital Raising Securities

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

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 187,500,000 Shares; and
- (b) 187,500,000 attaching Quoted Options,

*(together, **Capital Raising Securities**), 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:

- (c) a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- (d) any associates of those persons.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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. Resolution 7 - Participation in Capital Raising by related party

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

"That, subject to each of the Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 10.11 of the Corporations Act and for all other purposes, Shareholders approve the issue of 5,000,000 Capital Raising Shares and 5,000,000 attaching Quoted Options to Mr Bryan Frost (or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by Mr Bryan Frost (and his nominee), or any of his respective associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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. Resolution 8 - Conversion of Goldtree Convertible Notes - unrelated lenders

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

"That subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 11,866,667 Shares and 11,866,667 attaching Quoted Options to the Goldtree Convertible Noteholders (or their nominees) upon conversion of the Goldtree Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

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

- (a) a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- (b) any associates of those persons.

The Company will not disregard a vote if:

- (a) 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

- (b) it is cast by the Chair 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.

10. Resolution 9 - Conversion of Goldtree Convertible Note - related party - Bryan Frost

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

"That subject to each of the other Acquisition Resolutions being passed and pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 2,333,333 Shares and 2,333,333 attaching Quoted Options to Mr Bryan Frost (or his nominees) upon conversion of the Goldtree Convertible Notes on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Bryan Frost (and his nominees) or any of their associates.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

11. Resolution 10 - Approval to issue Corporate Adviser Securities

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

"That, subject to each of the Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:

- (a) 10,000,000 Shares and 10,000,000 attaching Unquoted Options; and
- (b) 1,000,000 Shares and 1,000,000 attaching Quoted Options,

(together, Corporate Adviser Securities) to Peregrine Corporate Limited (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 Peregrine (and its nominees) or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) 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

- (b) it is cast by the Chair 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.

12. Resolution 11 - Election of directors

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

"That, subject to each of the other Acquisition Resolutions being passed, the following persons, being:

- (a) *Mr Michael Quinert;*
- (b) *Mr Damon O'Meara; and*
- (c) *Mr Richard Revelins,*

(together, Proposed Directors), being eligible and offering themselves for election, be elected as a Director."

13. Resolution 12 - Approval of Employee Incentive Scheme (EIS)

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

"That pursuant to and in accordance with Exception 9(b) in Listing Rule 7.2 and for all other purposes, Shareholders approve the establishment of an employee incentive scheme and the issue of Securities under that scheme on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or their respective associates.

However, the Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. Resolution 13 - Approval to increase Non-Executive Directors' remuneration

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

"That, for the purposes of Article 13.11 of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Non-Executive Directors to increase from \$70,000 to \$300,000 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 the Resolution by or on behalf of a Director or any of their associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chair 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.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. Resolution 14 - Replacement of constitution

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."

16. Resolution 15 - Change of Company name

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

"That, subject to each of the other Acquisition Resolutions being passed and Completion occurring, and pursuant to and in accordance with section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to "First Au Limited" with effect from the date that ASIC alters the details of the Company's registration."

BY ORDER OF THE BOARD

Bryan Frost
Chairman
Public Holdings (Australia) Ltd
Dated 26 March 2018

PUBLIC HOLDINGS (AUSTRALIA) LTD

ACN 000 332 918

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the office of McBain McCartin & Co, Level 1, 123 Whitehorse Road, Balwyn, Victoria on Tuesday, 8 May 2018 at 2.00pm (AEST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Re-election of Director - Peter Chapman
Section 6	Conditional Acquisition Resolutions
Section 7	Background to the Acquisition
Section 8	Risks associated with the Acquisition
Section 9	Independent Geologist's report
Section 10	Resolution 3 - Conversion of Convertible Notes
Section 11	Resolution 4 - Approval to change in nature and scale of activities
Section 12	Resolution 5 - Approval to issue Vendor Securities
Section 13	Resolution 6 - Approval to issue Capital Raising Securities
Section 14	Resolution 7 - Participation in Capital Raising by related part
Section 15	Resolution 8 - Conversion of Goldtree Convertible Notes - unrelated lenders
Section 16	Resolution 9 - Conversion of Goldtree Convertible Note - related party - Bryan Frost

Section 17	Resolution 10 - Approval to issue Corporate Adviser Securities
Section 18	Resolution 11 - Election of directors
Section 19	Resolution 12 - Approval of Employee Incentive Scheme (EIS)
Section 20	Resolution 13 - Approval to increase Non-Executive Directors' remuneration
Section 21	Resolution 14 - Replacement of constitution
Section 22	Resolution 15 - Change of Company name
Schedule 1	Definitions
Schedule 2	Pro forma balance sheet
Schedule 3	Terms of Quoted Options
Schedule 4	Terms of Unquoted Options
Schedule 5	Summary of Employee Incentive Scheme
Schedule 6	Independent Geologist's Report

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of

votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) 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);
- (ii) 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;
- (iii) 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
- (iv) 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).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or 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.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1 and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolution 1.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.asx.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company did not receive a Strike at the 2016 annual general meeting. Shareholders should be aware that if a Strike is received at this Meeting, a Strike received at the 2018 annual general meeting may result in a re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

5. Resolution 2 - Re-election of Director - Peter Chapman

5.1 General

Clause 13.1 of the Constitution requires the Company to have at least 3 Directors. The Company currently has 4 Directors. Clause 13.14 of the Constitution requires one third of the Directors to retire at each annual general meeting. Clause 13.15 of the Constitution provides that a Director who retires is eligible for re-election.

Listing Rule 14.5 also requires that an entity which has directors must hold an election of Directors at each annual general meeting.

Pursuant to these Articles, Mr Chapman will retire by rotation, and being eligible, will seek re-election.

Details regarding Mr Chapman are set out in the Annual Report to Shareholders.

Resolution 2 is an ordinary resolution.

5.2 Board recommendation

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

The Chairman intends to exercise all available proxies in favour of Resolution 2.

6. Conditional Acquisition Resolutions

The Acquisition Resolutions (Resolutions 3-9 (inclusive), 11 and 15) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition Agreement and other matters contemplated by the Acquisition Resolutions will not be completed.

7. Background to the Acquisition

7.1 General background

The Company was incorporated on 26 August 1960 and admitted to the Official List of ASX on 1 January 1970. The Company is presently an ASX-listed investment company.

The Company has been suspended since 6 June 2016 in accordance with ASX policy after announcing its intention to undertake a reverse takeover of Israeli company, Mobilicom Limited (**Mobilicom**).

On 24 October 2016, the Company entered into a formal share swap agreement with Mobilicom to acquire the company for USD \$23.5 million in share consideration (**Mobilicom Agreement**). On 17 January 2017, the Company terminated the Mobilicom Agreement due to parties being unable to reach a consensus on their ability to satisfy the conditions precedent, or reach an agreement on mutually agreed varied terms, for the proposed acquisition to proceed.

On 3 March 2017, the Mobilicom Agreement was settled after the Company received a payment of \$450,000 from Mobilicom, comprising of a reimbursement fee of \$100,000 fee and a further \$350,000 in recognition of expenses incurred by the Company in conjunction with its efforts to implement the proposed transaction.

Since that time the Company has reviewed various opportunities to undertake a transaction with the effect of achieving reinstatement of the Company's securities to trading on the ASX.

7.2 The Acquisition

(a) Summary

On 10 January 2018, the Company announced it had entered into conditional binding agreements with Great Sandy Pty Ltd (**Great Sandy**) and Drillabit Pty Ltd (**Drillabit**) (together, the **Vendors**) to acquire the following assets:

- (i) Great Sandy's interests in a farm-out and joint venture agreement for the Emu Creek Copper and Gold Project, pursuant to which Great Sandy can earn up to a 70% interest in the Emu Creek Copper and Gold Project;
 - (ii) 100% interest in the Talga Gold-Copper Project; and
 - (iii) 100% interest in the Gimlet Gold Project,
- (together, **Tenements**) (**Acquisition**).

The Acquisitions will transform the Company into a new ASX-listed precious and base metals exploration company and therefore requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Great Sandy and Drillabit are both entities associated with respected Pilbara prospector Denis O'Meara. Great Sandy owns all the issued capital of Drillabit. Proposed incoming director Mr Damon O'Meara is Denis O'Meara's son and is also a director of both Great Sandy and Drillabit.

A summary of the Acquisition is set out in Section 7.8(a) below.

Upon successful completion of the Acquisition, the Company will focus on exploring and developing the prospective package of Tenements for gold and base metals deposits.

This Notice sets out the Resolutions necessary to complete the Acquisition. Each of the Acquisition Resolutions are conditional upon receiving Shareholder approval for each of the Acquisition Resolutions. If any of the Acquisition Resolutions are not approved by Shareholders, all of the Acquisition Resolutions will fail and Completion will not occur.

(b) **Acquisition Resolutions**

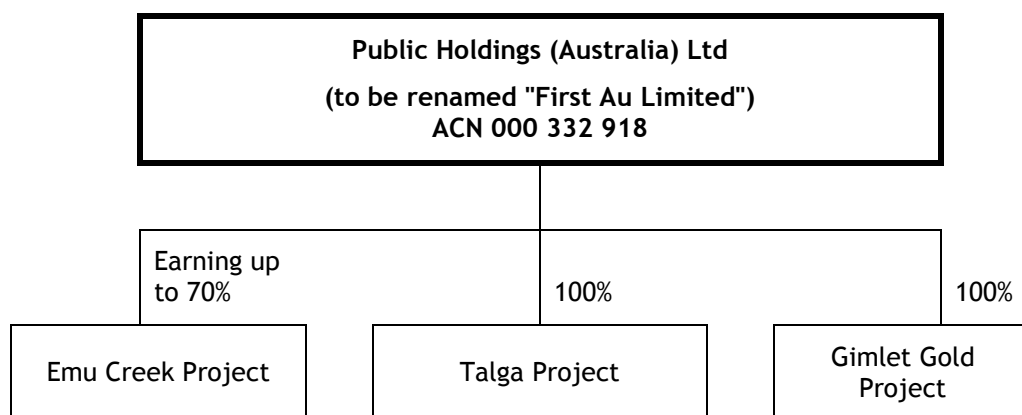
A summary of the Acquisition Resolutions is as follows:

- (i) the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under Listing Rule 11.1.2 (Resolution 4);
- (ii) the issue of 32,500,000 Shares (**Consideration Shares**), 13,000,000 Deferred Consideration Shares and 3,500,000 Unquoted Options to the Vendors (or their nominees) (together, **Vendor Securities**) for the Company's acquisition of interests in the Tenements (Resolution 5);
- (iii) the issue at Completion of up to 187,500,000 Shares at \$0.04 each and 187,500,000 attaching Quoted Options (together, **Capital Raising Securities**) to raise up to approximately \$7,500,000 (before costs) (**Public Offer**) via a prospectus (**Prospectus**) (Resolution 6);
- (iv) the conversion of the Goldtree Convertible Notes at a deemed conversion price of \$0.03 each (**Goldtree Convertible Notes**) (Resolutions 8 and 9); and
- (v) approval to change the Company's name to "First Au Limited" (Resolution 15).

The Deferred Consideration Shares will be issued on achievement of the Milestone, being upon the announcement by the Company of a JORC compliant resource of a minimum 708,000 tonnes at 2.2 grams per tonne of gold for 50,000 ounces of gold on any of the interests in the Tenements to be acquired. If the Milestone is not achieved within 5 years from the Quotation Date, no Deferred Consideration Shares will be issued.

(c) **Corporate Structure**

The diagram below summarises the corporate structure of the Company following completion of the Acquisition:



7.3 Overview of Tenements

The Company has entered into agreements with entities associated with respected Pilbara prospector Denis O'Meara to acquire three advanced prospective gold and gold-copper projects in the Pilbara and Kalgoorlie regions of Western Australia. The projects are close to operating mines, historic mining towns and past gold and base metals discoveries. Denis O'Meara Prospecting and others have spent more than \$8 million on exploring these projects.

The gold potential in the Pilbara has been highlighted recently by the discovery of a significant quantity of gold nuggets in the West Pilbara, where nuggets have been found shedding from, and contained within, Hardy Formation conglomerates.

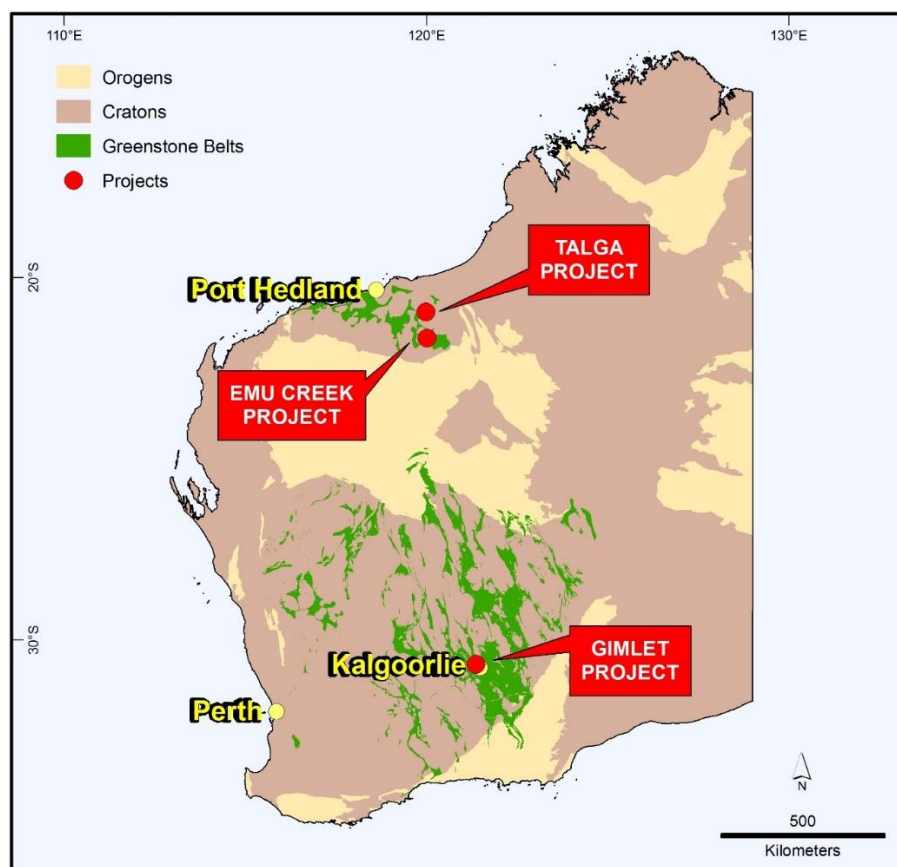


Figure 1 Project Location Map

A summary of the tenement package is set out below:

Tenement	District and Project	Status	Area	Grant date	Expiry date
EL46/732	Nullagine - Emu Creek Project	Granted	25 blocks	1/02/2008 (5 year term period - Extended)	31/01/2018 (Renewal lodged)
E46/1066	Nullagine - Emu Creek Project	Granted	13 blocks	7/09/2015	6/09/2020
EL45/3679	Marble Bar - Talga Project	Granted	40 blocks	12/06/2012	11/06/2022
EL45/3857	Marble Bar - Talga Project	Granted	7 blocks	11/02/2013	10/02/2018 (Renewal lodged)
EL45/4136	Marble Bar - Talga Project	Granted	3 blocks	16/09/2013	15/09/2018
EL45/4137	Marble Bar - Talga Project	Granted	12 blocks	16/09/2013	15/09/2018

Tenement	District and Project	Status	Area	Grant date	Expiry date
EL45/4615	Marble Bar - Talga Project	Granted	3 blocks	3/05/2016	2/05/2021
EL26/174	East Coolgardie - Gimlet project	Granted	5 blocks	7/11/2016	6/11/2021

Of the eight tenements the Company is acquiring an interest in, four are due for renewal in 2018. The Company is not aware of any reason why these tenements would not be renewed in the ordinary course.

(a) **Gimlet Gold Project**

(i) **Location and tenements**

The Gimlet Gold Project (**Gimlet Project**) is located 15km north west of Kalgoorlie, Western Australia and 500 metres along strike from the operating Teal Gold Mine (Intermin Resources, ASX Code: IRC). The Teal Gold Mine and nearby deposits have a current total resource estimate of 2.27 mt @ 2.18 g/t Au for 159,386 ozs of gold.

The Gimlet Project comprises a 9.6 km² granted exploration license prospective for gold associated with well-defined north westerly trending regional shear zones. Planned air core and RC drilling is targeted to investigate steeply dipping high grade lodes beneath extensive supergene gold blanket zone and along a strike from the Teal Gold Mine.

For further information see the Independent Geologist's Report at Section 9.

(ii) **History, past exploration and exploration plans**

Since the tenement comprising the Gimlet Project was granted in November 2016, exploration has consisted of research into historic exploration, assembling a database of existing exploration results and geological interpretation. No Mineral Resources or Exploration Targets have been reported for the Gimlet Project.

The Gimlet Project holds potential for the discovery of orogenic lode gold mineralisation. It is located immediately along strike and to the west of the Teal, Peyes Farm and Jacques Find gold deposits. Intermin Resources recently commenced mining the Teal deposit and their exploration drilling continues apace across these neighbouring tenements. Historic exploration over the Gimlet tenement has identified widespread gold anomalism and similar host rocks and structural settings to the nearby Teal deposit. The results from Intermin's recent drilling program at Jacques Find has highlighted the potential for significant gold mineralisation extending directly northwards into the eastern portion of the Gimlet tenement.

Currently planned exploration programs for the Gimlet Project are:

- (A) compilation of a comprehensive digital database capturing all historical drilling within the Gimlet project area;
- (B) re-interpretation of all historical drill results using 3D geological modelling software; and
- (C) aircore and RC drill programs targeting steeply dipping high grade gold lodes beneath the extensive Eastern Shear Zone and targeting the interpreted Peyes Farm Shear which runs into the Gimlet tenement 500m north of the operating Teal mine.

For further information see the Independent Geologist's Report at Section 9.

(b) Emu Creek Copper and Gold Project

(i) Location and tenements

The Emu Creek Copper and Gold Project (**Emu Creek Project**) is located near Nullagine, 25km north of Novo Resources' (TSX Code: NVO) Beatons Creek conglomerate gold project (560,000oz gold resource). The project area consists of two granted exploration licenses with a total area of 120.9 km² and is characterised by extensive areas of Fortescue conglomerates and clastic sediments of the Hardy Formation with similar geology to the Beatons Creek gold project.

For further information see the Independent Geologist's Report at Section 9.

(ii) History, past exploration and exploration plans

Great Sandy entered into a farm-in agreement with Atlas Iron Limited (ASX: AGO) (**Atlas**) in November 2016, to earn a 51% interest by spending \$190,000 within two years, and a further 19% on completion of a bankable feasibility study within 5 years (70% interest in total).

The project is prospective for VMS style copper-gold-lead-zinc, for conglomerate hosted gold and also orogenic gold mineralisation. No Mineral Resources or Exploration Targets have been reported for the Emu Creek Project.

Exploration activity over the tenement area has waxed and waned with successive metal price cycles since the 1950s, with a peak of activity in the 1990s.

Recent work by Great Sandy has included the acquisition, and interpretation of, hyperspectral and Landsat images of the entire project area. This outlined the location of large areas of minerals associated with hydrothermal alteration within the mafic and felsic rocks in the centre and south of the project and to the east and south of the Copper Cliff prospect.

During recent field work Great Sandy undertook a limited mapping and rock sampling program along a line of historic shallow workings

and shafts within a northwest trending fault structure. Quartz and porphyry veins fill the extensive fracture which was traced for approximately 600m on surface with the fracture continuing a similar distance further west. High order copper assays were recorded up to 12.4% copper with anomalous gold up to 1.52ppm. A number of these northwest trending fractures can be seen across the project area.

Following completion of the Acquisition, the Company's exploration plans for the Emu Creek Project involve:

- (A) compilation of a comprehensive digital database of all relevant surface geochemical results for the project area;
- (B) geological mapping and geochemical sampling;
- (C) mapping, stream sediment sampling, panning and metal detecting in areas of Hardey Formation conglomerates; and
- (D) VTEM airborne electromagnetic survey over the prospective area.

For further information see the Independent Geologist's Report at Section 9.

(c) **Talga Gold and Copper Gold Project**

(i) **Location and tenements**

The Talga Gold and Copper Project (**Talga Project**) is located 30 km north east of Marble Bar within one of the most prospective and mineralised Archean terrains in the East Pilbara. The project area is comprised of 5 granted exploration licenses (E45/3679, E45/3857, E45/4136, E45/4137 and E45/4615) covering approximately 207.9km², prospective for epigenetic gold associated with the major Bamboo Creek Shear Zone.

The tenements cover an area of the Archaean Warrawoona Group where metamorphosed mafic, felsic, ultramafic rocks and cherts occupy the arcuate eastern extension of the Marble Bar Greenstone Belt. This greenstone belt, which contains the South Muccan Shear Zone and the western extension of the Bamboo Creek Shear Zone, is sandwiched between the Muccan and Mount Edgar Granitoid Complex of the Pilbara Craton.

For further information see the Independent Geologist's Report at Section 9.

(ii) **History, past exploration and exploration plans**

The Talga Project area was historically explored for gold, base metals and tin, with more recent exploration for iron ore. Discoveries of gold, base metal and haematite mineralisation have been made. Several kilometres east of Talga, the Spinifex Ridge iron ore deposit is hosted in banded iron formation (**BIF**) of the Nimingarra Iron Formation, which extends into the Talga Project area.

There is no known exploration for lithium, however alluvial tin was recovered from historic workings in the south-east area of the

southernmost tenement. No Mineral Resources have been reported for the Talga Project.

The focus for exploration at the Talga Project during the 2015-2016 period was for gold and base metals at existing prospect areas, plus lithium within a newly recognised geological setting. Work done for gold and base metals consisted of a renewed review of the previous work completed, along with field visits and rock chip sampling. The main target areas were around the Razorback gold and Cord base metals prospects.

The Talga Project holds potential for the discovery of orogenic lode gold mineralisation and is prospective for VMS copper-gold, iron ore and lithium deposits. The Talga Project occurs within one of the most prospective and mineralised Archaean greenstone terranes in the Pilbara, with the neighboring Bamboo Creek deposits to the east and the Klondyke and Copenhagen gold deposits to the south all hosted in greenstones of the Warrawoona Group. Historic exploration has identified prospective geological settings with widespread gold and base metal geochemical anomalism, and has delineated a number of advanced prospects. There exist significant opportunities to build on earlier work at these prospects and also to undertake greenfields exploration particularly for lithium.

Currently planned exploration programs for the Talga Project are as follows:

- (A) Razorback and other gold prospects:
 - (1) detailed structural mapping of the prospect area and geological mapping of the surrounding area;
 - (2) rock and soil sampling; and
 - (3) RC drilling of priority targets defined by previous shallow aircore drilling, RC drilling and surface geochemical sampling.
- (B) Cord VMS prospect:
 - (1) Detailed structural mapping;
 - (2) Re-interpretation of all existing drilling, surface geochemical and geophysical data sets; and
 - (3) RC drilling program to test priority targets defined by the re-interpretation.

For further information see the Independent Geologist's Report at Section 9.

Please refer to Section 7.5 and 7.14 for a more detailed summary of the Company's proposed business following completion of the Acquisition.

7.4 Independent Geologist

Ravensgate International Pty Ltd (**Ravensgate**) was engaged as the Company's Independent Geologist and has prepared the Independent Geologist's Report which is

included in Section 9. The Independent Geologist's Report will also be used in the Prospectus.

7.5 Business Model

Post-completion of the Acquisition, the Company's main objective will be to provide a return to Shareholders through the successful exploration for and development of high value resources.

In seeking to achieve its objective, the Company's business model will be to:

- (a) analyse and interrogate previous exploration data to determine high priority targets within the Company's tenement package for future exploration;
- (b) undertake drilling and geophysical work programs on priority targets within the Company's tenement package with the aim of identifying and delineating mineral systems and establishing resources; and
- (c) if successful in delineating mineral resources, expand and upgrade resources, upon discovery, through infill and extension drilling, and assess the economic viability of development.

If the Company is unsuccessful with its exploration of the Tenements, the Company may seek to identify and investigate other value accretive mineral exploration and mining opportunities. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture, and/or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both. The Board will assess the suitability of investment opportunities by utilising its experience in evaluating projects. There are uncertainties in the process of identifying and acquiring new and suitable projects.

7.6 Dividend Policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Tenements and future acquisitions.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

7.7 Reinstatement on ASX

Pursuant to ASX Listing Rules, given the Company is proposing to make a significant change in the nature and scale of the Company's activities from a listed investment company to a gold exploration company, the Company must re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules prior to its securities recommencing quotation on ASX.

Pursuant to Listing Rules 11.1.2 and 11.1.3, the change in the nature and scale of the Company's activities requires:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Shares have been suspended from trading on ASX since 6 June 2016 and will not be reinstated unless:

- (a) each Acquisition Resolution is passed by Shareholders (see Section 4.2(b) above for further details); and
- (b) ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

It is expected that the conduct of the Public Offer (for which Shareholder approval is sought pursuant to Resolution 6) will enable the Company to satisfy the above requirements.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Public Offer.

7.8 Material Contracts

(a) Acquisition Agreements

The Acquisition Agreements comprise of the following agreements on the following material terms:

(i) Great Sandy Tenement Acquisition Agreement

Pursuant to an agreement between the Company and Great Sandy, the Company has agreed to acquire exploration licences EL45/3679, 45/3857, 45/4136, 45/4137 and 45/4615 that comprise the Talga Project.

The Company has also agreed to acquire all of Great Sandy's rights, interest and obligations under a farm-out and joint venture agreement between Great Sandy and Atlas Iron Limited (**Atlas**). Great Sandy entered into a farm-in agreement with Atlas on 4 November 2016, to earn a 51% interest in all non-ferrous base metals and precious metals by spending \$190,000 within two years, and a further 19% on completion of a bankable feasibility study within 5 years (70% interest in total).

As a completion condition, the Company, Atlas and Great Sandy will need to execute a standard form deed of assignment and assumption (the form of which has been agreed with Atlas), pursuant to which the Company will assume all of Great Sandy's obligations under the farm-out and joint venture agreement.

Subject to completion occurring, under the farm-out agreement the Company will have the ability to earn up to a 70% interest in exploration licences 46/732 and 46/1066, which comprise the Emu Creek Project.

(ii) **Drillabit Tenement Acquisition Agreement**

Pursuant to an agreement between the Company and Drillabit, the Company has agreed to acquire exploration licence EL26/174 (the Gimlet Gold Project).

In consideration for the Tenements, the Company will issue the Vendor Securities to the Vendors (or their nominees) being:

- (i) 32,500,000 Shares;
- (ii) 13,000,000 Deferred Consideration Shares on or about the date that the Company achieves the relevant Milestone set out in Section 7.2(b); and
- (iii) 3,500,000 Unquoted Options.

As noted in Section 7.2(a), Great Sandy and Drillabit are both entities associated with well-known and respected Pilbara prospector Denis O'Meara, with Great Sandy also holding all of the issued capital of Drillabit. Proposed incoming director Mr Damon O'Meara is Denis O'Meara's son and is also a director of both Great Sandy and Drillabit.

The Acquisition Agreements each provide for a loan facility to be provided to the Vendors (capped at total of \$120,000 for both Acquisition Agreements) to enable the Vendors to keep the Tenements in good standing. The loan is interest free and is repayable in the event the Acquisition does not proceed.

Completion of the Acquisition Agreements is subject to the satisfaction (or waiver) of the following condition precedents:

- (i) **ASX Reinstatement:** the Company receiving a reinstatement conditions letter from the ASX setting out the conditions on which ASX will reinstate the securities of the Company to trading, such conditions to be reasonably satisfactory to the Company;
- (ii) **Shareholder Approvals:** the Company's shareholders passing the Acquisition Resolutions;
- (iii) **ASX Waivers:** the Company obtaining any waivers from ASX in respect of the following:
 - (A) Listing Rule 2.1 (Condition 2) to undertake the Capital Raising at an issue price of \$0.04 per share;
 - (B) Listing Rule 1.1 (Condition 12) to set an exercise price for the Options at less than \$0.20; and
 - (C) Listing Rule 7.3.2 to permit the issue of the Deferred Consideration Shares outside of the 3 month period allowed by that rule;
- (iv) **Capital Raising:** the Company receiving subscription monies for the minimum subscription of the Capital Raising (being \$5,500,000); and
- (v) **Board Changes:** with the exception of Mr Frost, each of the current Directors resigning and the Proposed Directors being elected to the Board.

(b) **Convertible Notes**

The Company has entered into interest free and unsecured convertible note agreements with certain sophisticated and professional investors (**Convertible Notes**). The funds raised amount to a total of \$290,000. Subject to receipt of Shareholder approval at the Meeting, completion of the Acquisition and the Company raising a minimum of \$5,500,000 pursuant to the Capital Raising, the Convertible Notes will convert into a total of 9,666,667 Shares at a deemed conversion price of \$0.03 per Share.

On conversion, each Convertible Noteholder will also be issued one free attaching Quoted Option for every one Share issued.

(c) **Goldtree Convertible Notes and Goldtree-PHA Deed**

Prior to entering into the Acquisition Agreements, Great Sandy and Drillabit had previously commenced a transaction with Goldtree Minerals Pty Ltd (**Goldtree**) to sell the Tenements to Goldtree who intended to list on the ASX (**Previous Transaction**). Goldtree is also an entity associated with Messrs Denis and Damon O'Meara.

In connection with the Previous Transaction, Goldtree entered into convertible note arrangements with investors for the amount of \$426,000 (**Goldtree Convertible Noteholders**). One investor was Mr Bryan Frost, a current director of the Company, who invested \$70,000.

The Company approached Goldtree to cease their transaction with the Vendors in consideration for the Company assuming the Goldtree Convertible Note debt and entering into agreements with the Goldtree Convertible Noteholders to convert the notes into capital in the Company instead of in Goldtree. The Company has entered into a settlement deed with Goldtree (**Goldtree-PHA Deed**) and will enter into separate deeds with each of the Goldtree Convertible Noteholders to give effect to this proposal.

Pursuant to the terms of the settlement deed, upon the Goldtree Convertible Noteholders entering into replacement convertible note deeds with the Company, Goldtree irrevocably waives and releases any and all rights, claims and demands which it has or may have had over or in connection with the Tenements. In addition, Goldtree is to transfer the Company any retained funds from the issue of the Goldtree Convertible Notes.

Subject to receipt of Shareholder approval at the Meeting, the replacement Goldtree Convertible Notes will convert into a total of 14,200,000 Shares at a deemed conversion price of \$0.03 per Share. Each noteholder will be issued one Quoted Option for every one Share issued. The replacement Goldtree Convertible Notes are interest free and unsecured, and are repayable by the Company in the event the Acquisition does not proceed.

(d) **Peregrine Mandate**

The Company has entered into a mandate with Peregrine Corporate Limited to act as Lead Manager and Corporate Adviser (**Peregrine Mandate**). Peregrine is an entity controlled by existing director Bryan Frost and incoming Proposed Director, Richard Revelins.

Pursuant to the Peregrine Mandate, the following terms apply:

(i) **Fees**

Peregrine will receive the following fees:

- (A) **(Seed raise)** a seed capital raising fee of 6.5% of \$290,000 which was raised from the Convertible Notes (as outlined in Sections 7.8(b) and 7.10(a));
- (B) **(Transaction fee)** a prior transaction fee of 6.5% of the funds Peregrine has raised as at the date of this Notice in relation to the Tenements (including associated costs with the previous Goldtree transaction); and
- (C) **(Capital Raising Fee)** a capital raising fee of 6.5% of the Capital Raising, and 10,000,000 Shares and 10,000,000 Unquoted Options;
- (D) **(Cash fees)** in respect of the cash fees noted in paragraphs (B) and (C), Peregrine will receive \$30,000 worth of fees in equity in the form of a convertible note which will issued on the same terms as the other convertible noteholders who participated in the seed raising,

(together, **Fees**).

(ii) **Term**

The Peregrine Mandate expires 12 months from the date of execution or on the date that the Company is re-admitted to the ASX (whichever comes first) (**Term**).

(iii) **Other capital raisings**

Where a party that Peregrine has introduced to the Company participates in a capital raising not contemplated by the Peregrine Mandate during the Term, Peregrine will be entitled to a fee equal to 6.5% of the capital raised.

(iv) **Termination**

The parties may terminate the Peregrine Mandate on the following terms:

- (A) either party may terminate the agreement by giving the other party 30 days' written notice in writing;
- (B) if within 12 months of termination the Company enters into a similar transaction or agreement as contemplated by this Notice, the Company agrees to pay Peregrine the Fees which would have become due and payable under the Peregrine Mandate; and
- (C) any termination initiated by the Company without cause will give rise to a break fee of \$100,000 in favour of Peregrine which is payable within 7 days of such termination.

(e) **Director Agreements**

Each of the proposed Non-Executive Directors (being Messrs O'Meara and Quinert) have entered into non-executive letter agreements with the Company pursuant to which the Company has agreed to pay each Director \$40,000 per year (excluding superannuation) for services provided to the Company as Non-Executive Directors. The agreements commence upon completion of the Acquisition.

Mr Bryan Frost has entered into a new letter of appointment on the same terms as those above, save for the Company has agreed to pay Mr Frost \$100,000 per year in his role as Executive Chairman, with the payment of such fee commencing when the Company's securities recommence trading following completion of the Acquisition.

Mr Richard Revelins has entered into an executive letter agreement with the Company pursuant to which the Company has agreed to pay Mr Revelins \$40,000 per year (excluding superannuation). The agreement commences upon completion of the Acquisition.

7.9 Escrow arrangements

Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares in the Company will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company does not expect Shares offered under the Public Offer to be subject to any escrow restrictions.

The securities likely to be subject to escrow are the Vendor Securities (in whole or in part), the Corporate Adviser Securities, and a portion of the Shares to be issued on conversion of the Convertible Notes. The Company anticipates that upon re-admission of the Company to the Official List, assuming that the Public Offer is fully subscribed, approximately 49,466,667 Shares will be classified as restricted securities by ASX, which will comprise approximately 16.89% of the issued share capital.

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow.

7.10 Capital Raisings

(a) **Convertible Notes**

The Company entered into convertible note agreements with sophisticated and professional investors for \$290,000 (**Convertible Notes**). The Convertible Noteholders will be issued up to 9,666,667 Shares at \$0.03 each and up to 9,666,667 attaching Quoted Options on the terms set out in Schedule 3. The Company seeks Shareholder approval to convert the Convertible Notes at the Meeting.

(b) **Capital Raising**

As set out in Section 7.8(a)(iv) above, one of the conditions precedent to Completion is the completion of the Capital Raising.

The Capital Raising will include an offer, by way of Prospectus, of up to 187,500,000 Shares at an issue price of \$0.04 each and 187,500,000 attaching Quoted Options to raise up to approximately \$7,500,000 (before costs) (**Maximum Subscription**).

The Capital Raising will have a minimum subscription of 137,500,000 shares at an issue price of \$0.04 each and 137,500,000 attaching Quoted Options to raise up to approximately \$5,500,000 (before costs) (**Minimum Subscription**).

The Company will apply for listing of the Quoted Options. The terms and conditions of the Quoted Options are detailed in Schedule 3.

The Company has received from ASX a waiver from Listing Rule 2.1 Condition 2 to allow the Company to offer the Capital Raising Shares for \$0.04 and a waiver from Listing Rule 1.1 condition 12 to permit the exercise price of the Quoted Options to be \$0.06 each.

7.11 Pro forma balance sheet

A reviewed pro forma statement of financial position of the Company as at 31 December 2017 based on the audited accounts of the Company is set out in Schedule 2.

7.12 Effect on capital structure

The pro forma capital structure of the Company following completion of the Acquisition and Capital Raising based on the minimum and maximum subscription under the Offer is set out below.

As part of the transaction, the Company will also undertake a bonus issue to Eligible Shareholders of Quoted Options on a 1 for 1 basis. Further details as to the timing and the record date for the bonus issue of Quoted Options will be set out in the Prospectus.

(a) **Minimum Subscription - \$5.5 million**

	Shares	Shareholding %	Deferred Consideration Shares	Options
Existing Securities	37,958,000	15.63	-	37,958,000 ¹
Capital Raising ²	137,500,000	56.63	-	137,500,000
Vendor Securities	32,500,000	13.38	13,000,000 ³	3,500,000 ⁴
Convertible Noteholders	9,666,667	3.98		9,666,667

	Shares	Shareholding %	Deferred Consideration Shares	Options
Goldtree Convertible Noteholders	14,200,000	5.85	-	14,200,000
Corporate Adviser	11,000,000	4.53	-	11,000,000
TOTAL⁵	242,824,667	100	13,000,000	213,824,667⁶

Notes:

1. The bonus issue of Quoted Options will be offered to existing Shareholders on a one for one basis, however this number will change depending on the total holdings of Eligible Shareholders as at the record date of the bonus issue.
2. Based on a raise of up to \$5,500,000 (before costs) with Shares being issued at \$0.04 each.
3. The Deferred Consideration Shares will be issued on or about the date that the Company achieves the Milestone set out in Section 7.2(b).
4. 3,500,000 Options are intended to be issued to Mr Denis O'Meara (or his nominees)
5. Assumes no further Securities are issued, and no Convertible Securities have been converted or exercised.
6. Quoted Options to be issued to existing Shareholders on a record date to be determined as a bonus issue. Quoted Options will have same terms as those being offered under the Capital Raising.

(b) Maximum Subscription - \$7.5 million

	Shares	Shareholding %	Deferred Consideration Shares	Options
Existing Purchaser Securities	37,958,000	12.96		37,958,000 ¹
Capital Raising ²	187,500,000	64.03		187,500,000
Vendor Securities	32,500,000	11.10	13,000,000 ³	3,500,000 ⁴
Convertible Noteholders	9,666,667	3.30		9,666,667
Goldtree Convertible Noteholders	14,200,000	4.85		14,200,000
Corporate Adviser	11,000,000	3.76		11,000,000

	Shares	Shareholding %	Deferred Consideration Shares	Options
TOTAL ⁵	292,824,667	100	13,000,000	263,824,667 ⁶

Notes:

1. The bonus issue of Quoted Options will be offered to existing Shareholders on a one for one basis, however this number will change depending on the total holdings of Eligible Shareholders as at the record date of the bonus issue.
2. Based on a raise of up to \$7,500,000 (before costs) with Shares being issued at \$0.04 each.
3. The Deferred Consideration Shares will be issued on or about the date that the Company achieves the Milestone set out in Section 7.2(b).
4. 3,500,000 Options are intended to be issued to Mr Denis O'Meara (or his nominees)
5. Assumes no further Securities are issued and no Convertible Securities have been converted or exercised.
6. Quoted Options to be issued to existing Shareholders on a record date to be determined as a bonus issue. Quoted Options will have same terms as those being offered under the Capital Raising.

7.13 Substantial Shareholders' Voting power

Substantial Shareholders will have the following voting power in the Company assuming Completion of the Acquisition and all the Capital Raising Shares and Corporate Adviser Securities are issued (on a minimum and maximum subscription basis):

Shareholder	Shareholding ¹	Existing Shareholding (%)	Shareholding (%) Minimum Subscription	Shareholding (%) Maximum Subscription
Newport Private Wealth Pty Ltd <BDL Opportunities>	5,000,000	13.30	2.06	1.71
Chifley Portfolios Pty Ltd <The David Hannon Retirement Fund>	4,000,000	10.64	1.65	1.37
Mr Clayton Dodd	4,000,000	10.64	1.65	1.37
Penleigh Banner Pty Ltd	3,997,580	10.63	1.65	1.37
Mr Bryan Frost ²	25,358,333	18.51	10.44	8.66

Notes:

1. Shareholding as at date of this Notice.
2. Mr Frost is a current Director and presently has an interest in 7,025,000 Shares (18.51% of the Company's existing share capital). Mr Frost's interests are proposed to be held indirectly through various associated entities, including Peregrine, who is proposed to be issued the Corporate Adviser Securities pursuant to Resolution 10.

Based on the information known as at the date of this Notice, upon Completion of the Acquisition and subsequent relisting of the Company on the Official List, in addition to Mr Bryan Frost, the Company will also have the following substantial shareholders, being persons who have an interest in 5% or more of the Shares on issue:

Shareholder	Shareholding	Shareholding (%) Minimum Subscription	Shareholding (%) Maximum Subscription
Entities associated with proposed Director Mr Damon O'Meara	5,711,117	7.06	5.85

7.14 Proposed use of funds

Subject to receiving Shareholder approval for the Acquisition Resolutions and completion of the Public Offer, the Company anticipates that the following funds will be available to the Company:

Source of funds	Minimum Subscription (\$)	Maximum Subscription (\$)
Cash as at 31 December 2017	304,000	304,000
Proceeds from Public Offer	5,500,000	7,500,000
TOTAL FUNDS AVAILABLE	5,804,000	7,804,000

The Company intends to apply the available funds to a substantive exploration program to 31 December 2019 as follows:

Proposed use of funds	Minimum Subscription (\$)	Minimum Subscription (%)	Maximum Subscription (\$)	Maximum Subscription (%)
Exploration expenditure:				
Gimlet	1,250,000	21.5	1,981,000	25.4
Emu Creek	988,000	17.0	1,508,000	19.3
Talga	636,000	11.0	1,012,000	13.0
Administration costs	1,113,000	19.2	1,113,000	14.3

Proposed use of funds	Minimum Subscription (\$)	Minimum Subscription (%)	Maximum Subscription (\$)	Maximum Subscription (%)
Estimated expenses of the Offer	763,000	13.1	896,000	11.5
Working capital	1,054,000	18.2	1,294,000	16.6
TOTAL FUNDS ALLOCATED	5,804,000	100	7,804,000	100

The above table is a statement of the Board's current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including;

- (a) the risk factors outlined in Section 8; and
- (b) the outcome of operational and development activities, regulatory developments and market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Capital Raising, the Company will have sufficient working capital to meet its stated objectives.

Based on the intended use of funds detailed above, the amounts raised pursuant to the Public Offer will provide the Company sufficient funding for approximately 2 years' operations. The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific business objective or project.

The Company notes there is no certainty to when or to what extent any Options will be exercised. Depending on the amount raised (if any) from the exercise of any Options, the Directors' current intention is to apply funds towards:

- (a) further exploration on the Tenements to be acquired pursuant to the Acquisition;
- (b) in the event the Company's exploration programs are successful on a project, progressing that project (or projects) towards mine development; and
- (c) general working capital, including identifying, pursuing and developing other resource opportunities.

7.15 Anticipated timetable for the key business the subject of the Acquisition Resolutions

Event	Indicative Timing
Despatch of this Notice of Meeting to Shareholders	6 April 2018
Lodgement of Prospectus	6 April 2018
Prospectus offers anticipated to open	20 April 2018

Event	Indicative Timing
Shareholder Meeting ASX notified whether Shareholders' approval has been granted for the Resolutions	8 May 2018
Prospectus offers close	11 May 2018
Completion of the Acquisition Agreement	18 May 2018
Issue date	25 May 2018
Reinstatement of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules and subject to ASX agreeing to reinstate the Shares to quotation)	31 May 2018

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

7.16 Current Board of Directors

(a) Composition of the current Board

The Board currently comprises:

- (i) Mr Bryan Frost - Chairman;
- (ii) Mr Oreste Biziak - Deputy Chairman and Non-Executive Director;
- (iii) Mr Peter Chapman - Non-Executive Director; and
- (iv) Mr Clayton Dodd - Non-Executive Director.

7.17 Proposed Board of Directors and Management Team

(a) Composition of Proposed Board of Directors

Subject to Completion of the Acquisition, Messrs Biziak, Chapman and Dodd will resign. Mr Frost will remain on the Board and, effective from the date of Completion, will remain the Executive Chairman of the Company.

The Company will appoint the following persons as directors at Completion, subject to prior shareholder approval:

- (i) Mr Richard Revelins - Executive Director;
- (ii) Mr Michael Quinert as Non-Executive Director; and
- (iii) Mr Damon O'Meara as Non-Executive Director.

Mr Revelins is a related party of Peregrine by virtue of being a director.

(b) Profiles of Proposed Directors

Set out below is background information in relation to the skills and experience of the Proposed Directors.

(i) **Mr Michael Quinert**

Mr Quinert graduated with a Bachelor of Economics and a Bachelor of Laws from Monash University in 1984 and 1985 respectively. Mr Quinert is a founding partner of Quinert Rodda & Associates which was established in July 2009. Mr Quinert possesses specific expertise in assisting corporations to complete IPOs and has assisted numerous groups across a range of industry sectors to successfully list on the ASX.

Mr Quinert is Chairman of ASX listed West Wits Mining Limited (ASX: WWI), a company with active gold mining activities in South Africa, Australia and Indonesia.

(ii) **Mr Damon O'Meara**

Mr O'Meara holds a Bachelor of Education and a Diploma in teaching. Mr O'Meara has over 40 years of experience in the mining and prospecting industry, having worked for Denis O'Meara Prospecting and ASX-listed company Miralga Mining Ltd. Mr O'Meara is Co-Founder and Managing Director of Outback Trees of Australia Pty Ltd - Commercial Landscaping & Irrigation Group in Western Australia and has worked with prominent mining clients including BHP, Rio, Chevron and Woodside.

Mr O'Meara is one of the Vendors of the Tenements and is only a related party of the Company by virtue of the Acquisition.

(iii) **Mr Richard Revelins**

Richard Revelins hold a Bachelor of Economics Degree from Monash University, Melbourne, Australia. Mr Revelins is a founding Director of Peregrine Corporate Limited and also a Managing Director at Cappello Group Inc in Los Angeles, USA. He has over 30 years of experience with international investment banks in the area of corporate finance and corporate advice. He has held senior positions with Kleinwort Benson Australia Limited, Morgan Grenfell Australia Limited and McIntosh Securities Limited. Mr Revelins has predominantly specialised in mining and natural resources and was the former Chairman of Atlas as well as a director of numerous other public and private companies.

(c) **Management team**

The Company is fortunate to have assembled a highly experienced and successful team with Brian Richardson as head of exploration and Brett Keillor as consulting geologist.

Mr Richardson is a geologist with over 35 years of experience in Australia and overseas and in particular, Mr Richardson has substantial experience working in the Pilbara region. Mr Richardson was a founding director of Thundelarra Exploration and Royal Resources.

Mr Brett Keillor is a geologist with 30 years' experience in the mining industry. He was recently chief geologist for Independence Group and is a two-time recipient of the AMEC "Prospector of the Year Award".

The Company also has ongoing access to Mr Denis O'Meara and the facilities provided by Denis O'Meara Prospecting. Denis is a very well-known and respected Pilbara focussed prospector. Mr O'Meara is a joint recipient of the AMEC "Prospector of the Year Award".

In addition, the Company will also allocate a portion of working capital to employ a suitably qualified managing director.

7.18 Company Secretary and Chief Financial Officer

Mr David McBain

Mr McBain is a Chartered Accountant and is a member of the Governance Institute of Australia and a fellow of the Australian Institute of Company Directors. Mr McBain has over 40 years of professional experience in providing company secretarial services, business assurance and statutory audits, taxation and business advisory services.

7.19 Board intentions if Completion occurs

In the event that the conditions precedent to the Acquisition are satisfied (including successful completion of the Capital Raising), the funds raised from the Capital Raising will be used to:

- (a) undertake a planned exploration campaign on the Tenements;
- (b) expand the Company's holdings in the immediate vicinity of the Tenements;
- (c) finance business development and marketing costs;
- (d) meet the ongoing administration costs of the Company; and
- (e) otherwise contribute to the working capital of the Company.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in Section 7.14 above.

7.20 Advantages of the proposed Acquisition Resolutions

The advantages identified by the Board are:

- (a) Shareholders will be exposed to the resource industry, with a direct interest in gold, copper and other base and precious metals exploration assets;
- (b) the Company will receive a cash injection via the Capital Raising;
- (c) the Company may be re-instated to the ASX;
- (d) the Proposed Directors bring additional experience and knowledge to the Board; and
- (e) the Company's ability to raise additional funds may increase.

7.21 Disadvantages of the proposed Acquisition Resolutions

The disadvantages identified by the Board are:

- (a) dilution of existing Shareholders' interests; and

- (b) the change of operations as a result of the Acquisition may not suit the risk profile of Shareholders.

7.22 Taxation

The Acquisition may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

7.23 Plans for the Company if the Acquisition Resolutions are not passed or if the Acquisition does not proceed

If the Acquisition Resolutions are not passed or if the Acquisition is otherwise not completed, the Company will continue to seek potential acquisitions across all industries. Its securities will likely remain suspended.

7.24 Directors' interests in the Company

The Company's Directors and Proposed Directors (and their respective related entities) have the following interests in Shares as at the date of this Notice:

Director	Shareholding	% Shareholding
Bryan Frost ¹	7,025,000	18.51
Oreste Biziak (resigning on Completion)	510,116	1.36
Peter Chapman (resigning on Completion)	1,001,208	2.66
Clayton Dodd (resigning on Completion)	4,000,000	10.64
Michael Quinert ²	800,000	2.13
Damon O'Meara	-	-
Richard Revelins ³	-	-

Notes:

1. Mr Frost is a current Director. Mr Frost's interests are held indirectly through various associated entities. Mr Frost is also a director of Peregrine.
2. Mr Quinert is a Proposed Director. Mr Quinert indirectly holds his interest through Kastin Pty Ltd, an associated trust.
3. Mr Revelins is a director of Peregrine and is a Proposed Director.

Set out in the table below are details of the anticipated relevant interests of the existing Directors and Proposed Directors (and their respective related entities) in the

Shares of the Company upon Completion of the Acquisition on a Minimum Subscription and Maximum Subscription basis:

Director	Shares	Shareholding % (Minimum Subscription)	Shareholding % (Maximum Subscription)
Bryan Frost ¹	25,358,333	10.44	8.66
Oreste Biziak (resigning on Completion)	510,116	0.21%	0.17%
Peter Chapman (resigning on Completion)	1,001,208	0.41%	0.34%
Clayton Dodd (resigning on Completion)	4,000,000	1.65	1.37
Michael Quinert	800,000	0.33	0.27
Damon O'Meara ⁴	5,711,117	5.85	7.06
Richard Revelins ⁵	11,000,000	4.53	3.76

Notes:

1. Mr Frost is a current Director. Mr Frost's interests are proposed to be held indirectly through various associated entities, including Peregrine, who is proposed to be issued the Corporate Adviser Securities pursuant to Resolution 10. The Corporate Adviser Securities are also accounted for in Mr Revelin's interests as Messrs Frost and Revelins control Peregrine.
2. Mr Quinert is a Proposed Director. Mr Quinert indirectly holds his interest through Kastin Pty Ltd, an associated trust.
3. Mr O'Meara is a Proposed Director and is a director of Great Sandy and Drillabit. Mr O'Meara's shareholding may increase in the future if the Deferred Consideration Shares are issued.
4. Mr Revelins is a Proposed Director. Mr Revelins is also a director of Peregrine, who is proposed to be issued the Corporate Adviser Securities pursuant to Resolution 10. The Corporate Adviser Securities are also accounted for in Mr Frost's interests as Messrs Frost and Revelins control Peregrine.

8. Risks associated with the Acquisition

This Section identifies the major areas of risk associated with the Acquisition, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed.

8.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of Shares to quotation on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company will not be able to satisfy one or more of those requirements. Should this occur the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

(b) Dilution risk

As at the date of the Meeting it is expected that Company will have 37,958,000 Shares on issue. On Completion, the Company proposes to issue Shares and Options as required pursuant to the Acquisition Agreements and issue Shares and Options as part of the Capital Raising.

On completion of the Acquisition and Capital Raising (assuming the Capital Raising is fully subscribed, both Goldtree Convertible Notes and Convertible Notes have converted and no Convertible Securities are exercised or converted), the existing Shareholders will retain approximately 12.96% of the issued capital of the Company, Peregrine (or its nominees) will hold 3.42%, and the investors under the Capital Raising will hold 64.03% of the issued capital of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(c) Liquidity risk

As described in Section 7.9, on Completion the Company proposes to issue certain Shares which will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of reinstatement. The application of the ASX escrow restrictions may be considered to result in a liquidity risk as the issued capital will not be able to be traded freely for a period of time and the ability of a Shareholder to dispose of his or her Shares in a timely manner may be affected.

(d) Contractual and Completion risk

Pursuant to the Acquisition Agreement the Company has agreed to acquire the Tenements subject to the fulfilment of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur. Failure to complete the Acquisition would mean the Company may not be able to meet the requirements of ASX for re-quotation of its Shares, and the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

8.2 Specific risks to the Company's operations

There are a number of specific risks involved for the Company, and consequently its security holders, in the acquisition of the Tenements, including risks specific to the mining industry, which include the following non-exhaustive list.

(a) Exploration and Evaluation Risks

The Tenements that the Company will own or have the rights to exploit from Completion of the Acquisition are at various stages of exploration. Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations, and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to the Tenements and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Tenements, a reduction in the mineral reserves of the Company and possible relinquishment of the Tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Development risks and costs

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks, including, but not limited to, failure to acquire and/or delineate economically recoverable mineral bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, excessive seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(c) Operating risks

The Company may be subject to the risks involved in the establishment of a new mining operation if the Company decides to develop its mineral assets. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of the Company (if production commences) may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company. The occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. The Company intends to apply for insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

(d) Environmental Risks and Regulations

The operations and proposed activities of the Company are subject to Western Australian and Federal environmental laws and regulations. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(e) Licenses, permits and payment obligations

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required.

Of the eight tenements the Company is acquiring an interest in, four are due for renewal in 2018. The Company is not aware of any reason why these tenements would not be renewed in the ordinary course, but cannot give assurance that such renewals will be given and there is no assurance that new conditions will not be imposed in connection therewith. As outlined in Section 7.8(a), each of the Acquisition Agreements provide for a loan facility to be provided to the Vendors (capped at total of \$120,000) to enable the Vendors to keep the Tenements in good standing, which will minimise the risks associated with the renewal process.

Pursuant to the licences comprising the Company's projects, the Company will become subject to payments and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(f) No production revenues

At present, the Company is not generating any revenues as at the date of this Notice. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as additional consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's projects are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which are beyond the Company's control.

The Company expects to continue to incur losses unless and until such time as its projects enter into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's projects will require the commitment of substantial resources to conduct the time-consuming exploration and development activities. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

(g) Future capital requirements

The Company's activities will require substantial expenditure. There can be no guarantees that the funds raised through the Public Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund development

after the substantial exhaustion of the net proceeds of the Public Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing (if available) may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(h) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, other resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of resource projects.

(i) Native Title and Aboriginal Heritage Risks

The existence of native title and/or native title claims in relation to the land the subject of the Tenements may affect the Company's ability to obtain the grant of future tenure over the Tenements or in their vicinity. If the Tenements have not been validly granted in compliance with native title legislation, this may have an adverse impact on the Company's activities.

There is a risk that Aboriginal Sites and objects may exist on the land the subject of the Tenements the existence of which may preclude or limit mining activities in certain areas of the Tenements although we note that the Native Title Mining Agreement contains a process to address this in relation to the Tenements covered by that agreement.

Heritage survey work may need to be undertaken ahead of the commencement of exploration or mining operations to reduce the risk of contravening Aboriginal heritage legislation.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has, or may have, an interest.

(j) Access and third party risks

Under State and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third party interests which overlay areas within the Tenements or future tenements granted to the Company, including native title claims and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within the Tenements or future tenements.

Whilst the requirement to seek and obtain such consents and pay such compensation is customary in Western Australia, any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities within the affected areas or future tenements granted to the Company.

The Tenements are in areas that have been the subject of exploration activities as well as pastoral and agricultural activities. Given the history of the areas, the Directors believe that third party risk to access the Tenements

is low. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors however acknowledge that delays may be caused to the commencement of exploration programs.

The activities contemplated by the Company under all of the Tenement work programs are in and around areas historically disturbed by past exploration activities. Given that the exploration activities contemplated by the Company in Section 7.3 and as set out in further detail in the Independent Geologist's Report in Section 9 are proximate to or otherwise in areas that have already been actively explored, the Directors consider the risk of any impediments with respect to Native Title, pastoralist activities and any other heritage restrictions to be low. However, the Company acknowledges that exploration success may result in extended work programs that may require further consent with respect to the Native Title process, existing heritage agreements and pastoralist activities as noted above.

(k) Reliance on Key Personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(l) Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(m) Insurance and uninsured risks

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(n) Commodity Price and Exchange Rate Risks

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of gold, copper and other minerals fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by

producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold and copper could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold and copper, are produced, a profitable market will exist for it.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In addition to adversely affecting any reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(o) Risk of adverse publicity

Subject to completion of the Acquisition, the Company's activities will involve mineral exploration and mining and regulatory approval of its activities may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, the Company's activities. The nature of the Company's business attracts a high level of public and media interest and, in the event of any resultant adverse publicity, the Company's reputation may be harmed.

(p) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

8.3 Market risks

(a) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(b) Reinstatement to Official List

The Company's Shares are currently suspended from trading on the ASX. In the event the Acquisition Resolutions are approved at the Meeting, it is anticipated that the Company's Securities will remain suspended until completion of the Acquisition and Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements, or that ASX policy with respect to reinstatement may be amended and that its listed securities may consequently remain suspended from quotation.

8.4 General risks

(a) Economic

The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including but not limited to, labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(c) **Litigation risks**

The Company is exposed to possible litigation risks. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company nor Drillabit or Great Sandy are currently engaged in any litigation.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

9. Independent Geologist's report

Please refer to Schedule 6 for the Independent Geologist's report.

10. Resolution 3 - Conversion of Convertible Notes

10.1 General

Resolution 3 seeks Shareholder approval for the issue of the following Securities to the Convertible Noteholders for the conversion of the Convertible Notes:

- (a) 9,666,667 Shares at a deemed conversion price of \$0.03 per share; and
- (b) 9,666,667 attaching Quoted Options.

The effect of this Resolution will be to allow the Company to issue the Shares upon conversion of the Convertible Notes 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.

Resolution 3 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

The Chairman will cast all available proxies in favour of Resolution 3.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

10.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, without shareholder approval and subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

10.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the conversion of the Convertible Notes:

- (a) the maximum number of Securities to be issued in respect of the conversion of the Convertible Notes is as follows:
 - (i) 9,666,667 Shares; and
 - (ii) 9,666,667 attaching Quoted Options;
- (b) the Shares and the attaching Quoted 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) and it is intended that issue of the Securities will occur on the same date;
- (c) the Shares will be issued upon conversion of the Convertible Notes at a deemed issue price of \$0.03 each, and accordingly no funds will be raised;
- (d) the attaching Quoted Options are free attaching to the Shares to be issued upon conversion of the Convertible Notes, and accordingly no funds will be raised;
- (e) the Shares and attaching Quoted Options will be issued to the Convertible Noteholders, none of whom are related parties of the Company;
- (f) the Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Quoted Options will be issued on the terms and conditions set out in Schedule 3; and
- (h) the funds raised from the Convertible Notes have been applied towards the funding required to undertake the Acquisition.

10.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

11. Resolution 4 - Approval to change in nature and scale of activities

11.1 General

Resolution 4 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the Acquisition.

A detailed description of the Acquisition is outlined in Section 7 above.

Resolution 4 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 4 is an ordinary resolution.

11.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its Shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised that it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2 and pursuant to Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

11.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

12. Resolution 5 - Approval to issue Vendor Securities

12.1 General

Resolution 5 seeks Shareholder approval for the Company to be authorised to issue the following Vendor Securities to the Vendors (or their nominees):

- (a) 32,500,000 Consideration Shares;

- (b) 13,000,000 Deferred Consideration Shares on the terms set out in Section 7.2(b); and
- (c) 3,500,000 Unquoted Options.

The effect of Resolution 5 will be to allow the Directors to issue the Vendor Securities during the period of months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

Resolution 5 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

12.2 Application of Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 10.2.

The Shares to be issued pursuant to this Resolution 5 will be issued such that no individual Vendor, their nominees or their associates will hold more than 20% of the Shares on issue following Completion.

12.3 Specific information required by Listing Rule 7.3

The following information is provided in relation to the proposed issue of Securities to the Vendors pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Vendor Securities to be issued is:
 - (i) 32,500,000 Shares;
 - (ii) 13,000,000 Deferred Consideration Shares; and
 - (iii) 3,500,000 Unquoted Options;
- (b) the Vendor Securities will be issued for nil cash consideration in satisfaction of the acquisition of the Vendors' interests in the Tenements pursuant to the Acquisition;
- (c) other than the Deferred Consideration Shares, the Vendor Securities 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 Listing Rules) and it is intended that allotment will occur on the same date. The Company has obtained a waiver from ASX to permit the Deferred Consideration Shares to be issued within 5 years of the date the Company's securities re-commence quotation on ASX following Completion;
- (d) the Vendor Securities will be issued to the Vendors (or their nominees) whom are unrelated parties or are related parties only by virtue of the Acquisition;
- (e) the Vendor Securities will be issued on the following terms:
 - (i) the Consideration Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue;
 - (ii) the Deferred Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue and will be issued on satisfaction of the Milestone as set out in Section 7.2(b);

- (iii) the Unquoted Options will be issued to Mr Dennis O'Meara, a director of the Vendor entities on the terms and conditions set out in Schedule 3;
- (f) no funds will be raised from the issue of the Vendor Securities as they are to be issued in consideration for the Vendors' disposing of their interests in the Tenements; and
- (g) a voting exclusion statement is included in the Notice.

12.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 5.

The Chair intends to exercise all available proxies in favour of Resolution 5.

13. Resolution 6 - Approval to issue Capital Raising Securities

13.1 General

Resolution 6 seeks Shareholder approval for the issue of a maximum of up to 187,500,000 Shares at an issue price of \$0.04 each and 187,500,000 attaching Quoted Options to raise approximately up to \$7,500,000 (before costs) under the Capital Raising.

The Capital Raising Shares and attaching Quoted Options will be issued under a Prospectus to be issued by the Company in order to re-comply with Chapters 1 and 2 of the Listing Rules.

The Company has received from ASX a waiver from Listing Rule 2.1 condition 2 to permit the issue price of the Capital Raising Shares to be \$0.04 each and a waiver from Listing Rule 1.1 condition 12 for the Options to be exercisable at \$0.06.

Resolution 6 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 6 is an ordinary resolution.

13.2 Specific Information required by Listing Rule 7.3

The following information is provided in relation to the proposed issue of Capital Raising Securities pursuant to and in accordance with Listing Rule 7.3:

- (a) up to a maximum of 187,500,000 Shares and 187,500,000 attaching Quoted Options will be issued to investors under the Public Offer made pursuant to a Prospectus;
- (b) the shares under the Capital Raising will be issued at \$0.04 each (together with up to 187,500,000 free attaching Quoted Options) to raise approximately \$7,500,000 (before costs);
- (c) the Capital Raising Securities 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 Listing Rules) and it is intended that allotment will occur on the same date;

- (d) the Capital Raising Securities will be issued to investors under the Public Offer;
- (e) the Capital Raising Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing Shares on issue and the attaching Quoted Options will be issued on the terms and conditions set out in Schedule 3;
- (f) the funds raised from the Capital Raising Securities will go towards the exploration and development of the Tenements and for general working capital purposes as set out in this Explanatory Memorandum; and
- (g) a voting exclusion statement is included in the Notice.

13.3 Board recommendation

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

The Chair intends to exercise all available proxies in favour of Resolution 6.

14. Resolution 7 - Participation in Capital Raising by related party

14.1 General

Pursuant to Resolution 7 the Company is seeking Shareholder approval for the Capital Raising, being the issue of up to 187,500,000 Capital Raising Shares and 187,500,000 attaching Quoted Options to raise up to approximately \$7,500,000 (before costs).

Mr Bryan Frost (the **Related Party Participant**) may wish to participate in the Capital Raising, subject to Shareholder approval being obtained.

Resolution 7 seeks Shareholder approval for the issue of up to a total of 5,000,000 Shares and 5,000,000 attaching Quoted Options to the Related Party Participant (or their nominee) arising from their participation in the Capital Raising (**Participation**).

Resolution 7 is an ordinary resolution.

14.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

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 Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Related Party Participants on the same terms as Shares issued to non-

related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

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

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

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to the Related Party Participants (or their nominee) will not be included in the use of the Company's 15% placement capacity pursuant to Listing Rule 7.1.

14.3 Specific information required by Listing Rule 10.13

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

- (a) the Capital Raising Securities will be issued to Mr Bryan Frost (or his nominee);
- (b) the maximum number of Capital Raising Securities to be issued to the Related Party Participants is up to 5,000,000 Shares and 5,000,000 Quoted Options to Mr Bryan Frost (or his nominee);
- (c) the Capital Raising Securities to be issued to the Related Party Participant will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) Mr Frost is a current Directors and therefore is a related party of the Company;
- (e) the issue price of the Capital Raising Shares will be \$0.04 per Share, being the same as all other Shares issued under the Capital Raising;
- (f) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 7.14 of this Explanatory Memorandum.

15. Resolution 8 - Conversion of Goldtree Convertible Notes - unrelated lenders

15.1 General

Resolution 8 seeks Shareholder approval for the issue of the following Securities to the unrelated Goldtree Convertible Noteholders for the conversion of their Goldtree Convertible Notes:

- (a) 11,866,667 Shares at a deemed conversion price of \$0.03 per share upon conversion of the Goldtree Convertible Notes; and
- (b) 11,866,667 attaching Quoted Options.

A summary of Listing Rule 7.1 is set out in Section 10.2 above.

The effect of this Resolution will be to allow the Company to issue the Shares upon conversion of the Goldtree Convertible Notes 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.

Resolution 8 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

15.2 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the conversion of the Goldtree Convertible Notes:

- (a) the maximum number of Securities to be issued in respect of the conversion of the Goldtree Convertible Notes is as follows:
 - (i) 11,866,667 Shares; and
 - (ii) 11,866,667 attaching Quoted Options,
- (b) the Shares and the attaching Quoted 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) and it is intended that issue of the Securities will occur on the same date;
- (c) the Shares will be issued upon conversion of the Goldtree Convertible Notes for nil cash consideration at a deemed issue price of \$0.03 each, and accordingly no funds will be raised;
- (d) the attaching Quoted Options are free attaching to the Shares to be issued upon conversion of the Goldtree Convertible Notes, and accordingly no funds will be raised;
- (e) the Shares and attaching Quoted Options will be issued to the Goldtree Convertible Noteholders, none of whom are related parties of the Company (other than Mr Frost who is addressed separately in Resolution 9);
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Quoted Options will be issued on the terms and conditions set out in Schedule 3; and
- (h) the funds raised from the Goldtree Convertible Notes have been applied towards the funding required to undertake the Acquisition. No funds will be raised from the issue of Securities pursuant to the conversion.

15.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 is an ordinary Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 8.

16. Resolution 9 - Conversion of Goldtree Convertible Notes by related party

16.1 General

Resolution 9 seeks Shareholder approval for the issue of the following Securities to the Mr Bryan Frost for conversion of his Goldtree Convertible Notes:

- (a) 2,333,333 Shares; and
- (b) 2,333,333 attaching Quoted Options.

A summary of Listing Rule 10.11 is set out in Section 14.2 above.

Resolution 9 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

16.2 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the conversion of Mr Frost's Goldtree Convertible Notes:

- (a) the maximum number of Securities to be issued in respect of the conversion is as follows:
 - (i) 2,333,333 Shares; and
 - (ii) 2,333,333 attaching Quoted Options;
- (b) the Shares and the attaching Quoted Options will be issued no later than 1 month 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) and it is intended that issue of the Securities will occur on the same date;
- (c) the Shares will be issued upon conversion of Mr Frost's Goldtree Convertible Note for nil cash consideration at a deemed issue price of \$0.03 each, and accordingly no funds will be raised;
- (d) the attaching Quoted Options are free attaching to the Shares to be issued upon conversion of Mr Frost's Goldtree Convertible Notes, and accordingly no funds will be raised;
- (e) the Shares and Quoted Options will be issued to Mr Frost (or his nominee);
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Quoted Options will be issued on the terms and conditions set out in Schedule 3; and

- (h) the funds raised from the Goldtree Convertible Notes have been applied towards the funding required to undertake the Acquisition. No funds will be raised from the issue of Shares pursuant to the conversion.

16.3 Board recommendation

The Board (other than Mr Frost) recommends that Shareholders vote in favour of Resolution 9.

Resolution 9 is an ordinary Resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

17. Resolution 10 - Approval to issue Corporate Adviser Securities

17.1 General

Resolution 10 seeks Shareholder approval for the issue of 11,000,000 Shares, 10,000,000 Unquoted Options and 1,000,000 Quoted Options to Peregrine (or its nominees) on Completion in lieu of corporate advisory, lead manager and success fees for their services in relation to the Convertible Notes, Capital Raising and the Acquisition, and as part of an arrangement for Peregrine to use existing funds owed to it for previous services provided for a \$30,000 subscription on the same terms as the Convertible Noteholders.

A summary of Listing Rule 10.11 is set out in Section 14.2 above.

The effect of Resolution 10 will be to allow the Company to issue the Corporate Adviser Securities during the 1 month period after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Corporate Adviser Securities will be subject to any trading restrictions required by the Listing Rules and are expected to be restricted for a period of two years from the date that the Company is re-admitted to ASX.

Resolution 10 is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 10 is an ordinary Resolution.

17.2 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Corporate Adviser Securities:

- (a) the maximum number of Corporate Adviser Securities to be issued is 11,000,000 Shares, 10,000,000 Unquoted Options and 1,000,000 Quoted Options;
- (b) the Corporate Adviser Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of all of the Securities will occur on the same date;
- (c) the Corporate Adviser Securities will be issued in part satisfaction of services provided by Peregrine who have assisted, or will assist, the Company with the

Convertible Notes, Capital Raising and the Acquisition pursuant to the Peregrine Mandate, and as part of an arrangement for Peregrine to use existing funds owed to it for previous services provided for a \$30,000 subscription on the same terms as the Convertible Noteholders;

- (d) the Corporate Adviser Securities will be issued to Peregrine (or its nominees), which is a related party of the Company by virtue of both Mr Frost (a current Company director) and Mr Revelins (a Proposed Director) being directors of Peregrine;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Quoted Options will be issued on the terms and conditions set out in Schedule 3;
- (g) the Unquoted Options will be issued on the terms and conditions set out in Schedule 4; and
- (h) no funds will be raised from the Corporate Adviser Securities as they are proposed to be issued in accordance with the terms of the Peregrine Mandate and as satisfaction of services provided by Peregrine.

17.3 Board recommendation

The Board (other than Mr Bryan Frost) recommends that Shareholders vote in favour of Resolution 10.

The Chair intends to exercise all available proxies in favour of Resolution 10.

18. Resolution 11 - Election of Directors

Article 13.8 of the Constitution allows the Directors to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors. That director will hold office until the next annual general meeting where they are required to be re-elected by resolution at the meeting.

Article 13.6 of the Constitution provides that a person other than a Director retiring by rotation is not eligible for election as a Director at a general meeting unless notice of nomination of the person to be director is given to the Company 30 business days before the general meeting.

Pursuant to the Acquisition Agreement, at Completion it is proposed that Messrs Quinert, O'Meara and Revelins be appointed as directors.

Resolution 11 seeks approval for the election of the persons the subject of this Resolution 11.

On and from Completion, subject to Shareholders passing each of the Acquisition Resolutions, each proposed director will be appointed as follows:

- (a) Richard Revelins as Executive Director;
- (b) Michael Quinert as Non-Executive Director; and
- (c) Damon O'Meara as Non-Executive Director,

(together, **Proposed Directors**).

Please refer Section 7.16 for information on the qualifications, skills and experience of each of the Proposed Directors.

Resolutions 11(a)-11(c) (inclusive) are separate ordinary resolutions.

18.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 11(a)-12(c) (inclusive).

The Chair intends to exercise all available proxies in favour of Resolutions 11(a)-12(c) (inclusive).

19. Resolution 12 - Approval of Employee Incentive Scheme

The Company considers that it is desirable to maintain a securities incentive plan pursuant to which the Company can issue Securities to eligible Directors, employees and consultants in order to attract, motivate and retain such persons and to provide them with an incentive to deliver growth and value to all Shareholders.

Accordingly, Resolution 12 seeks Shareholders' approval for the adoption of the employee securities plan titled 'First Au Limited Employee Incentive Scheme' (**Scheme**) in accordance with Listing Rule 7.2 Exception 9(b).

Under the Scheme, the Board may offer to eligible persons the opportunity to subscribe for such number of Securities in the Company as the Board may decide and on the terms set out in the rules of the Scheme, a summary of which is set out in Schedule 5.

In addition, a copy of the Scheme is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Scheme can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

19.1 Application of Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 10.2.

19.2 Listing Rule 7.2, Exception 9(b)

Listing Rule 7.2, Exception 9(b) provides an exception to Listing Rule 7.1 by which Equity Securities issued under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 12 is passed, the Company will be able to issue Equity Securities under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

No Equity Securities have been issued under the current Scheme as it is a new employee incentive scheme and has not previously been approved by Shareholders.

Prior Shareholder approval will be required under Listing Rule 10.14 before any Director or related party of the Company can participate in the Scheme.

Pursuant to the Listing Rules, Shareholders must re-approve the Scheme and all unissued Securities issuable pursuant thereto every 3 years.

19.3 Board recommendation

Resolution 12 is an ordinary resolution.

The Chair will cast all available proxies in favour of Resolution 12.

20. Resolution 13 - Approval to increase Non-Executive Directors' Remuneration

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its Non-Executive Directors without the approval of holders of its ordinary securities.

Article 13.11 of the Constitution requires that remuneration payable to the Non-Executive Directors not exceed the sum determined by the Company in a general meeting, from time to time.

The maximum aggregate amount of fees payable to all of the Non-Executive Directors (**Fee Pool**) is currently set at \$70,000 which was approved by Shareholders on 29 May 2008.

This amount includes superannuation contributions made by the Company for the benefit of Non-Executive Directors and any fees which a Non-Executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses or "special exertion" fees paid in accordance with the Constitution, or securities issued to a Non-Executive Director under Listing Rules 10.11 or 10.14 with approval of Shareholders.

The Directors have resolved to seek Shareholder approval to increase the Fee Pool by \$230,000 from \$70,000 to \$300,000. The proposed increase of the Fee Pool has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The proposed limit is requested to ensure that the Company:

- (a) maintains its capacity to remunerate both existing and any new Non-Executive Directors joining the Board;
- (b) remunerates its Non-Executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) has the ability to attract and retain Non-Executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

Following changes to the Board on 19 September 2014, the Company ceased paying all salaries and Directors' fees from 30 September 2014, with the exception of \$6,250 worth of shares in lieu of salary provided to Non-Executive Director Mr Oreste Biziak for the financial year ending 31 December 2015. Other than this issue to Mr Biziak, no other Securities have been issued to the Non-Executive Directors (or their nominees),

the under Listing Rules 10.11 and 10.14 with Shareholder approval within the past 3 years.

Given the interest of the Non-Executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

21. Resolution 14 - Replacement of Constitution

In accordance with section 126(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 14 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and the Listing Rules.

Since the Constitution was adopted by Shareholders on 21 May 2010, there have been amendments to the Corporations Act and the Listing Rules.

It is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

These amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

21.2 Summary of material proposed changes

References to clauses refer to the clauses in the Proposed Constitution.

(a) Dividends (clause 10)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(b) Fee for registration of off market transfers (clause 4.6)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 4.6 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) Board circular resolutions (clause 13.1)

The existing Constitution provides that written resolutions of the Board must be signed by all Directors eligible to vote on the resolution. The Proposed Constitution provides that such written resolution need only be signed by a majority of directors eligible to vote on the resolution.

(d) Deemed notice to uncontactable Shareholders (clause 15.2)

The current Constitution does not provide for the service of documents to shareholders who are uncontactable.

The Proposed Constitution provides that the Company may deem a shareholder to be uncontactable if the Company reasonably believes that a Shareholder is not known at their recorded address or have not provided any alternative address.

Where the Company determines that a shareholder is uncontactable, service of documents is effected to the uncontactable shareholder by exhibiting the document for 48 hours at the Company's registered office. The document is taken to be served at the start of the document exhibition period and is not required to be addressed to the uncontactable Shareholder.

22. Resolution 15 - Change of Company Name

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

Resolution 15 seeks the approval of Shareholders for the Company to change its name to "First Au Limited".

If Resolution 15 is passed, the change of name will take effect from when ASIC alters the details of the Company's registration.

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

Resolution 15 is an Acquisition Resolution and subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 15 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).

22.1 Board Recommendation

The Board recommends that Shareholders vote in favour of Resolution 15.

The Chair intends to exercise all available proxies in favour of Resolution 15.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

2012 JORC Code means the 2012 Edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Acquisition means the acquisition by the Company of interests in the Tenements in accordance with the Acquisition Agreements.

Acquisition Agreements means the agreements described in Section 7.8(a).

Acquisition Resolutions means Resolutions 3-9 (inclusive), 11 and 15.

AEST means Australian Eastern Standard Time being the time in Melbourne, Victoria.

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2017.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASIC means the Australian Securities and Investments Commission.

Atlas means Atlas Iron Limited (ACN 110 396 168).

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Business Day means a day that is not a Saturday, Sunday or public holiday in Victoria.

Capital Raising means the funds raised under the Public Offer.

Capital Raising Securities has the meaning ascribed in Resolution 6.

Capital Raising Shares means the Shares to be issued pursuant to the Capital Raising.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Public Holdings (Australia) Ltd ACN 000 332 918 (to be renamed "First Au Limited").

Completion means completion of the Acquisition in accordance with the Acquisition Agreements.

Consideration Shares means the 32,500,000 Shares to be issued to the Vendors (or their respective nominees) as part consideration for the Acquisition and forms part of the subject of Resolution 6.

Constitution means the constitution of the Company as at the date of the Meeting.

Convertible Notes means the convertible note detailed in in Section 7.8(b).

Convertible Noteholder means a holder of a Convertible Note.

Convertible Securities means Options and Convertible Notes.

Corporate Adviser Securities has the meaning ascribed in Resolution 10.

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

Deferred Consideration Shares are those Shares to be issued upon achievement of the Milestone, and which (along with the Consideration Shares) form part of the subject of Resolution 5.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Drillabit means Drillabit Pty Ltd (ACN 166 230 664).

EIS means the 'First Au Limited Employee Incentive Scheme'.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Fee Pool means the maximum aggregate amount of fees payable to Non-Executive Directors.

Goldtree Convertible Noteholder means a holder of a Goldtree Convertible Note.

Goldtree Convertible Note are the convertible notes described in Section 7.8(c).

Great Sandy means Great Sandy Pty Ltd (ACN 139 440 403).

Listing Rules means the listing rules of ASX.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Maximum Subscription has the meaning given in Section 7.10(b).

Meeting has the meaning given in the introductory paragraph of the Notice.

Milestone means the announcement by the Company of a JORC compliant resource of a minimum 708,000 tonnes at 2.2 grams per tonne of gold for 50,000 ounces of gold on any of the interests in Tenements to be acquired.

Mineral Resource means a concentration of mineralisation in the earth for which there are reasonable prospects for eventual economic extraction.

Minimum Subscription has the meaning given in Section 7.10(b).

Native Title Mining Agreement means the agreement between the Njamal People and Atlas dated 5 December 2008.

Notice means this notice of general meeting.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Peregrine means Peregrine Corporate Limited (ACN 062 478 997), an entity associated with current director Mr Bryan Frost and proposed director Mr Richard Revelins.

Proposed Directors means Messrs Michael Quinert, Damon O'Meara and Richard Revelins.

Prospectus means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

Proxy Form means the proxy form attached to the Notice.

Public Offer means the offer of up to 187,500,000 Shares at an issue price of \$0.04 each and 187,500,000 free attaching Quoted Options to raise up to approximately \$7,500,000 (before costs) via a Prospectus.

Quotation Date means the date the Company's Securities re-commence quotation on the ASX following the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

Quoted Option is an Option which has the terms and conditions set out in Schedule 3.

Ravensgate means Ravensgate International Pty Ltd ATF Ravensgate Unit Trust (ACN 891 075 503).

Relevant Interest has the meaning given in section 608 of the Corporations Act.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means all Equity Securities of the Company, including Shares, Options and Deferred Consideration Shares.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Tenements means the tenements comprising the Emu Creek Copper and Gold Project, Talga Gold and Copper-Gold Project and the Gimlet Gold Project.

Unquoted Option is an Option which has the terms and conditions set out in Schedule 4.

Vendors means Great Sandy and Drillabit.

Vendor Securities has the meaning ascribed in Resolution 6.

Schedule 2 - Pro forma Balance Sheet

Set out below is the audited statement of financial position of the Company as at 31 December 2017. In addition, disclosed is a pro forma statement of financial position assuming the following:

- (a) The Company proposes to change its name from Public Holdings (Australia) Limited to First Au Limited;
- (b) A bonus issue of Quoted Options to existing PHA Eligible Shareholders on a one for one basis;
- (c) Pursuant to the Mining Purchase and Sale Agreements with Great Sandy Pty Ltd and Drillabit Pty Ltd (Acquisition Agreements), the Company will acquire the Tenements in consideration for:
 - (i) The issue of 32.5 million fully paid ordinary shares at a fair value of \$0.04 each;
 - (ii) The issue of 3.5 million Unquoted Options exercisable at \$0.06 each on or before 1 March 2021 to Mr Dennis O'Meara. These options have been fair valued at \$83,722; and
 - (iii) The issue of 13 million deferred fully paid ordinary shares at a fair value of \$0.04 with a performance milestone that upon the announcement date that the Company achieves a JORC compliant resource of a minimum 708,000 tonnes at 2.2 grams per tonne of gold for 50,000 ounces of gold on any of the Tenements to be acquired. If the performance milestone is not achieved within 5 years from Quotation Date, no deferred fully paid ordinary shares will be issued.

Currently there are no reasonable grounds on which to assess the likelihood of the non-market performance milestones for the issue of the deferred fully paid ordinary shares being met. Therefore, no adjustments have been made to the pro forma historical Statement of Financial Position based on the issue of the deferred fully paid ordinary shares. In accordance with AASB 2 Share-based payments, the Company will be required to re-assess the probability of the non-market performance milestones being achieved at each reporting date up until expiry of the deferred fully paid ordinary shares.

Contributed equity and reserves has been increased through the issuing of the ordinary shares and options. In addition exploration and evaluation expenditure has been increased to reflect the fair value of the exploration assets acquired under the Acquisition Agreements. The fair value of the exploration assets acquired has been determined based on the consideration paid and a fair value per share of \$0.04, being the price of the Public Offer;

- (d) The issue of a minimum 137.5 million fully paid ordinary shares at \$0.04 each with allowance for oversubscriptions of 50 million fully paid ordinary shares at \$0.04, raising a total of \$5,500,000 (minimum) or \$7,500,000 (maximum) respectively. These shares will have free attaching Quoted Options on a 1:1 basis.
- (e) The payment of a Capital Raising Fee of 6.5% of the total funds raised in (d) above to the corporate advisor(s) totalling \$357,500 (based on obtaining a minimum subscription) or totalling \$487,500 (based on obtaining maximum subscription).

- (f) Costs of the Offers are estimated to be \$395,693 under the maximum subscription and \$393,693 under the minimum subscription, excluding the Capital Raising Fee in (e) above and Seed Raise and Transaction fee in (k) below. The Company has paid \$128,640 of these costs, therefore the remaining Costs of the Offers are \$267,053 under the maximum subscription and \$265,053 under the minimum subscription. Those costs which relate to the issuing of the new Shares are to be offset against contributed equity while the remaining costs are to be split between:
- (i) Capitalised exploration expenditure to the extent of \$44,650 relating to stamp duty;
 - (ii) Settling trade and other payables by \$53,693; and
 - (iii) Expensed to accumulated losses of \$139,350.
- Of the above Costs of the Offers, \$158,000 has been offset against contributed equity under the maximum subscription and \$156,000 offset against contributed equity under the minimum subscription;
- (g) Pursuant to the mandate letter, the Company agrees to issue to their corporate adviser, Peregrine Corporate Limited, 10 million fully paid ordinary shares at a fair value of \$0.04 each, and 10 million Unquoted Options with an exercise price of \$0.06 each on or before 1 March 2021. The options will vest immediately upon issue. These options have been fair valued at \$217,831. These have been expensed.
- (h) The Convertible Notes totalling \$290,000 are to be converted to shares at a deemed conversion price of \$0.03 per share with an attaching Quoted Option. These options have been fair valued at \$140,989 and expensed.
- (i) The Company has entered into a Deed of Agreement with Goldtree Minerals Pty Ltd (Goldtree), whereby the Company wishes to enter into the Acquisition Agreements but requires the entitlement to the Tenements, and the rights to negotiate for the Tenements, to be free of any claim (or potential claim) or interest which may be held by Goldtree, on the basis that the existing Goldtree convertible noteholders totalling \$426,000 cancel their existing convertible notes in exchange for the Company issuing replacement convertible notes to the same value (Goldtree Convertible Notes). This value includes Retained cash of \$43,907 to be transferred to the Company. Other than the Retained cash, the other amounts of \$382,093 have been expensed.
- (j) The Goldtree Convertible Notes are to be converted at a deemed conversion price of \$0.03 per share with an attaching Quoted Option. These options have been fair valued at \$221,691 and expensed.
- (k) There is a payment of a Seed raise and Transaction fee of 6.5% of the total funds raised through the convertible notes totalling \$41,990 to Peregrine Corporate Limited. This has been offset against contributed equity. The settlement of this amount is as follows:-
- (i) \$11,990 will be paid in cash, of which, \$5,382 will reduce the existing Creditors and Other Payables as at 31 December 2017;
 - (ii) The remaining \$30,000 will be extinguished through issuing 1 million fully paid ordinary shares at a fair value of \$0.03, of which, \$13,467 will be transferred from the existing Share Based Payment Reserve as at 31 December 2017; and

- (iii) 1 million attaching Quoted Options on the same terms as the Goldtree Convertible Notes. The fair value of these options of \$14,580 has been included within the value of \$221,691 in (j) above and expensed.

	Historical Audited as at 31-Dec-17 \$	Reviewed Pro forma as at 31-Dec-17 \$ (minimum)	Reviewed Pro forma as at 31-Dec-17 \$ (maximum)
ASSETS			
Current Assets			
Cash and cash equivalents	303,771	5,084,496	6,952,496
Trade and other receivables	18,180	18,180	18,180
Total current assets	321,951	5,102,676	6,970,676
Non-Current Assets			
Exploration and evaluation	-	1,428,372	1,428,372
Total non-current assets	-	1,428,372	1,428,372
Total Assets	321,951	6,531,048	8,399,048
LIABILITIES			
Current Liabilities			
Trade and other payables	92,298	33,223	33,223
Total current liabilities	92,298	33,223	33,223
Total Liabilities	92,298	33,223	33,223
Net Assets	229,653	6,497,825	8,365,825
EQUITY			
Capital & Reserves			
Contributed equity	1,871,286	8,990,646	10,858,646
Reserves	13,467	664,233	664,233
Accumulated losses	(1,655,100)	(3,157,054)	(3,157,054)
Total Equity	229,653	6,497,825	8,365,825

The above historical financial information has been extracted from the audited financial statements of Public Holdings (Australia) Limited as at 31 December 2017 which was audited by McLean Delmo Bentleys Audit Pty Ltd. McLean Delmo Bentleys Audit Pty Ltd issued an unmodified conclusion with an emphasis of matter paragraph on material uncertainty relating to going concern on the financial report.

Schedule 3 - Terms of Quoted Options

The defined terms in this Schedule are specific to this Schedule 3.

The Quoted Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. Entitlement

Each Quoted Option (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.

2. Exercise Price and Expiry Date

Each Option has an exercise price of \$0.06 (**Exercise Price**) and will expire at 5.00pm (AEST) on the date that is 30 months after the Company's securities recommence quotation following completion of the Acquisition Agreements (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Notice of Exercise

An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

4. Timing of issue of Shares

Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

5. Shares issues on exercise

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

6. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.

7. Quotation of Options

The Company will apply for official quotation on ASX of all Options.

8. Options transferrable

The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), no change will be made to the Exercise Price or the underlying number of securities that will be issued.

11. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Exercise Price of an Option will not be reduced.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Schedule 4 - Terms of Unquoted Options

The defined terms in this Schedule are specific to this Schedule 4.

The Unquoted Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. Entitlement

Each Quoted Option (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.

2. Exercise Price and Expiry Date

Each Option has an exercise price of \$0.06 (**Exercise Price**) and will expire at 5.00pm (AEST) on or before 1 March 2021 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

3. Notice of Exercise

An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

4. Timing of issue of Shares

Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

5. Shares issues on exercise

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

6. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.

7. Quotation of Options

The Company will not apply for official quotation on ASX of the Options.

8. Options transferrable

The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), no change will be made to the Exercise Price or the underlying number of securities that will be issued.

11. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Exercise Price of an Option will not be reduced

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Schedule 5 - Summary of Employee Incentive Scheme

A summary of the terms of the First Au Limited Employee Incentive Scheme is set out below:

1. Eligible Participant

Eligible Participant means a person that:

- (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Scheme from time to time.

2. Purpose

The purpose of the Scheme is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. Scheme administration

The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

4. Eligibility, invitation and application

The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. Grant of Securities

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Scheme rules and any ancillary documentation required.

6. Terms of Convertible Securities

Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Scheme.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. Vesting of Convertible Securities

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. Exercise of Convertible Securities and cashless exercise

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Scheme rules, or such earlier date as set out in the Scheme rules.

9. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Scheme rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. Forfeiture of Convertible Securities

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Scheme rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. Change of control

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. Rights attaching to Scheme Shares

All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Scheme Shares**) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.

13. Disposal restrictions on Scheme Shares

If the invitation provides that any Scheme Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. Adjustment of Convertible Securities

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. Participation in new issues

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. Amendment of Scheme

Subject to the following paragraph, the Board may at any time amend any provisions of the Scheme rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Scheme and determine that any amendments to the Scheme rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Scheme rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. Scheme duration

The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 6 - Independent Geologist's Report

Please refer to the independent geologist's report which has been enclosed with this Notice.

Public Holdings (Australia) Limited

ACN 000 332 918

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Public Holdings (Australia) Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (AEST) on Sunday, 6 May 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two 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 telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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 your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Public Holdings (Australia) Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (AEST) on Tuesday, 8 May 2018 at the office of McBain McCartin & Co, Level 1, 123 Whitehorse Road, Balwyn, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 12 and 13: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 12 and 13, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval to issue Corporate Adviser Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Peter Chapman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11a Election of director - Mr Michael Quinert	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11b Election of director - Mr Damon O'Meara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Change in nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11c Election of director - Mr Richard Revelins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Issue Vendor Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of Employee Incentive Scheme (EIS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue Capital Raising Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval to increase Non-Executive Directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Participation in Capital Raising by related parties – Mr Bryan Frost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Replacement of constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Conversion of Goldtree Convertible Notes – unrelated lenders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Conversion of Goldtree Convertible Note – related party – Bryan Frost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* 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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

PHA PRX1801N