

NUSANTARA RESOURCES LIMITED
ACN 150 791 290
NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (Melbourne time)
DATE: 30 May 2018
PLACE: Rendezvous Hotel Melbourne
328 Flinders Street, Melbourne, Victoria 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61) 8 9460 8600.

Contents Page

Business of the Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	9
Glossary	21
Schedule 1 - Summary of the terms of Related Party Options	23
Schedule 2 – Valuation of the Related Party Options	26
Proxy Form	Enclosed

Important Information

Time and place of meeting

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (Melbourne time) on 30 May 2018 at:

Rendezvous Hotel Melbourne

328 Flinders Street, Melbourne, Victoria 3000

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

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 Shareholders at 7.00pm (Melbourne time) on 28 May 2018.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- A. each member has a right to appoint a proxy;
- B. the proxy need not be a member of the Company; and
- C. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Business of the Meeting

Business

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Statement which accompanies this Notice. References to the “Corporations Act” are to the *Corporations Act 2001* (Cth), unless the context requires otherwise.

1. Financial Report

To receive and consider the annual financial report, directors’ report and auditor’s report for the Company and its controlled entities for the year ended 31 December 2017.

Note: There is no requirement for shareholders to approve these documents.

2. Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 31 December 2017.”

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

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

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

- (A) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Election of Director – Mr Robin Widdup

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

“That for the purposes of clause 40.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes Mr Robin Widdup, a Director who was appointed on 27 February 2018, retires, and being eligible, is elected as a Director.”

4. Resolution 3 – Election of Director – Mr Greg Foulis

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

“That for the purposes of clause 40.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes Mr Greg Foulis, a Director who was appointed on 29 March 2018, retires, and being eligible, is elected as a Director.”

5. Resolution 4 – Grant of related party Options to Director – Mr Greg Foulis

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 445,000 Options to Mr Greg Foulis, a director of the Company (or his nominee) on the terms and conditions set out in the Explanatory Statement being broadly consistent with other options awarded to existing directors on 28 July 2017 including an exercise price of \$0.61 and expiry date of 28 July 2021.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Greg Foulis (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statements:

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and

the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) 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.

6. Resolution 5 – Grant of related party Options to Director – Mr Robin Widdup

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 295,000 Options to Mr Robin Widdup, a director of the Company (or his nominee) on the terms and conditions set out in the Explanatory Statement being broadly consistent with other options awarded to existing directors on 28 July 2017 including an exercise price of \$0.61 and expiry date of 28 July 2021.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Robin Widdup (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statements

Sections 224(1) and (2) of the Corporations Act provide that a vote may not be cast (in any capacity) by or on behalf of the related party to whom the resolution would permit a financial benefit to be given (or an associate of that person) other than a vote cast a proxy by a person in writing that specifies how the proxy is to vote on the proposed resolution and which is not cast on behalf of the relevant related party (or an associate of that person).

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member; and

the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) 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.

7. Resolution 6 – Additional 10% placement facility – Listing Rule 7.1A

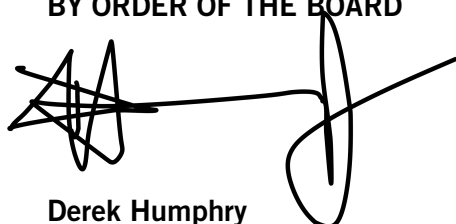
To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who 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 in the Company) if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 24 April 2018

BY ORDER OF THE BOARD

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Derek Humphry

Co-Company Secretary

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. Company Financial Report, Directors' Report and Auditor's Report

The financial report, directors' report and auditor's report for the Company will be laid before the Meeting. There is no requirement for shareholders to approve these reports. The Chairman will allow a reasonable time for shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, and the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.nusantararesources.com

2. Resolution 1 - Adoption of the Remuneration Report

The remuneration report for the Company is set out in the Company's 2017 Annual Report. The remuneration report outlines the Company's remuneration framework and the remuneration outcomes for the financial year the subject of the remuneration report for the Board and Key Management Personnel.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

Under the Corporations Act if, at two consecutive annual general meetings for an entity listed on the ASX, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report, then a further resolution (**Spill Resolution**) may be required to be considered at the second annual general meeting as to whether a further meeting be convened to put certain Directors to re-election. The Directors to be put to re-election are those Directors, other than the Managing Director, who were Directors when the resolution to make the directors report (considered at the later annual general meeting) was passed.

As the General Meeting is the Company's first annual general meeting as an entity listed on the ASX, the requirement for a **Spill Resolution** will not arise at this Meeting irrespective of the outcome of the vote on Resolution 1.

If you are appointing the Chair as your proxy, please note that the proxy form accompanying this Notice expressly authorises the Chair to vote any undirected proxies in favour of Resolution 1 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Accordingly, if you are appointing the Chair as your proxy and do not wish your proxy to vote in favour of Resolution 1, you will need to mark "against" or "abstain" where indicated in the proxy form in relation to Resolution 1.

3. **Resolution 2 – Election of director – Mr Robin Widdup**

Clause 40.1 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Robin Widdup was appointed by the Board as a Director on 27 February 2018, and will retire in accordance with clause 40.2 of the Constitution at the Meeting and, being eligible seeks election.

4. **Resolution 3 – Election of director – Mr Greg Foulis**

Clause 40.1 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Greg Foulis was appointed by the Board as a Director on 29 March 2018, and will retire in accordance with clause 40.2 of the Constitution at the Meeting and, being eligible seeks election.

5. **Resolutions 4 and 5 – Grant of Options to Mr Greg Foulis and Robin Widdup**

5.1 **General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 445,000 Options to Mr Greg Foulis or his nominee and a total of 295,000 Options to Mr Robin Widdup, or his nominee (**Related Party Grantees**) on the terms and conditions set out below (**Related Party Options**).

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 grant of the Related Party Options constitutes giving a financial benefit. Mr Greg Foulis and Mr Robin Widdup are Related Parties of the Company by virtue of being Directors of the Company.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the

Corporations Act may, but do not necessarily, apply in the current circumstances. Accordingly, out of prudence, Shareholder approval is sought for the grant of Related Party Options to the relevant Related Party Grantees.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where the Company issues, or agrees to issue, securities to a related party, unless an exception in ASX Listing Rule 10.12 applies. As none of the exceptions in Listing Rule 10.12 applies, approval to the issue of the Related Party Options is also being sought under ASX Listing Rule 10.11.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

In accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options to the Related Party Grantees:

- (a) the Related Parties are Mr Greg Foulis and Mr Robin Widdup and they are Related Parties by virtue of being Directors of the Company;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Party Grantees is 445,000 Options in respect of Mr Greg Foulis or his nominee and 295,000 Options to Mr Robin Widdup or his nominee;
- (c) the Related Party Options will be granted to the Related Party Grantees no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated all Related Party Options will be granted on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised by their grant (but funds may be raised in the future to the extent that Related Party Options are ultimately exercised);
- (e) the terms and conditions of the Related Party Options, including their expiry dates and exercise prices are set out in Schedule 1;
- (f) the value of the Related Party Options and the valuation methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Greg Foulis	Nil	Nil
Robin Widdup	Nil	Nil

- (h) the proposed remuneration and emoluments from the Company to Mr Greg Foulis for the current financial year is \$57,100. Mr Foulis was appointed a Director on 29 March 2018 so the preceding fees are pro-rata of what Mr Foulis would receive if he was a Director for the whole financial year (in which case it would be \$75,000). Mr Foulis was not a Director of the Company for the previous financial year so did not receive any remuneration or emoluments from the

Company for that year;

- (i) the proposed remuneration and emoluments from the Company to Mr Robin Widdup for the current financial year is \$41,667. Mr Widdup was appointed a Director on 28 February 2018 so the preceding fees are pro-rata of what Mr Widdup would receive if he was a Director for the whole financial year (in which case it would be \$50,000). Mr Widdup was not a Director of the Company for the previous financial year so did not receive any remuneration or emoluments from the Company for that year;
- (j) if all Related Party Options granted to the Related Party Grantees are exercised, a total of 740,000 Shares would be issued. This will increase the number of Shares on issue from 97,531,763 to 98,271,763 (assuming that no other Shares are issued in the meantime) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.75%;
- (k) the market price for Shares as traded on the ASX during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at the time that any of the Related Party Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of those Related Party Options, there may be a notional or actual cost to the Company, including by way of an opportunity cost, being the loss of the opportunity to issue the resultant Shares at an issue price which is equal to, or close to, the then market price of the Shares;
- (l) some details of the trading history of the Shares on ASX in the 12 months¹ before the date of this Notice is set out below:

	Price	Date
Highest	45 cents	2 August 2017
Lowest	25 cents	18 December 2017 and 29 January 2018
Last	26 cents	23 April 2018

Note

The Company was admitted to the Official List of the ASX on 2 August 2017.

- (m) the Board acknowledges the grant of Related Party Options to Mr Greg Foulis and Mr Robin Widdup is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to non-executive Directors is reasonable in the circumstances having regard to the size and level of operations of the Company, its cash reserves and importance to the Company of attracting and retaining non-executive Directors in a manner which does not unduly impact on the Company's cash resources;
- (n) a primary purpose of the grant of the Related Party Options to the Related Party Grantees is to provide a performance linked incentive component in the overall remuneration package for Mr Greg Foulis and Mr Robin Widdup to motivate and

reward the performance of Mr Greg Foulis and Mr Robin Widdup in their roles as Directors and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on the cash reserves of the Company;

- (o) Mr Greg Foulis does not wish to make a recommendation to Shareholders in relation to Resolution 4 due to his having a material personal interest in the outcome of the Resolution on the basis that he or his nominee is to be granted Related Party Options in the Company should that Resolution be passed. However, Mr Greg Foulis recommends that Shareholders vote in favour of Resolution 5 for the following reasons:
 - (i) the grant of Related Party Options to the Related Party Grantee the subject of Resolution 5 will align interests of Mr Robin Widdup with those of Shareholders and provide meaningful incentive to Mr Robin Widdup to work towards the Company becoming commercially successful; and
 - (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options under Resolution 5 is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Robin Widdup, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (p) Mr Martin Pyle recommends that Shareholders vote in favour of Resolutions 4 and 5 for the following reasons:
 - (i) the grant of Related Party Options to the Related Party Grantees will align interests of Mr Greg Foulis and Mr Robin Widdup with those of Shareholders and provide meaningful incentive to Mr Greg Foulis and Mr Robin Widdup to work towards the Company becoming commercially successful; and
 - (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Greg Foulis and Mr Robin Widdup, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (q) Mr Robin Widdup does not wish to make a recommendation to Shareholders in relation to Resolution 5 due to his having a material personal interest in the outcome of the Resolution on the basis that he or his nominee is to be granted Related Party Options in the Company should that Resolution be passed. Mr Robin Widdup recommends that Shareholders vote in favour of Resolution 4 for the following reasons:
 - (i) the grant of Related Party Options to the Related Party Grantees will align interests of Mr Greg Foulis with those of Shareholders and provide meaningful incentive to Mr Greg Foulis to work towards the Company

becoming commercially successful; and

- (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Greg Foulis, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (r) Mr Robert Alan Hogarth recommends that Shareholders vote in favour of Resolutions 4 and 5 for the following reasons:
- (i) the grant of Related Party Options to the Related Party Grantees will align interests of Mr Greg Foulis and Mr Robin Widdup with those of Shareholders and provide meaningful incentive to Mr Greg Foulis and Mr Robin Widdup to work towards the Company becoming commercially successful; and
 - (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Greg Foulis and Mr Robin Widdup, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (s) Mr Boyke Abidin recommends that Shareholders vote in favour of Resolutions 4 and 5 for the following reasons:
- (i) the grant of Related Party Options to the Related Party Grantees will align interests of Mr Greg Foulis and Mr Robin Widdup with those of Shareholders and provide meaningful incentive to Mr Greg Foulis and Mr Robin Widdup to work towards the Company becoming commercially successful; and
 - (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Greg Foulis and Mr Robin Widdup, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (t) Mr Michael Spreadborough recommends that Shareholders vote in favour of Resolutions 4 and 5 for the following reasons:
- (i) the grant of Related Party Options to the Related Party Grantees will align interests of Mr Greg Foulis and Mr Robin Widdup with those of Shareholders and provide meaningful incentive to Mr Greg Foulis and Mr Robin Widdup to work towards the Company becoming commercially successful; and

- (ii) having regard to the size and level of operations of the Company, its cash reserves and the importance to the Company of attracting and retaining experienced and qualified Directors in a manner which does not unduly impact on the Company's cash resources, the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective supplementary remuneration to Mr Greg Foulis and Mr Robin Widdup, thereby allowing the Company to spend a greater proportion of its cash reserves on its operations;
- (u) except as specified above, no other Director has a personal interest or other interest in the outcome of Resolutions 4 and 5;
- (v) in forming their various recommendations, each Director considered the qualifications and experience of Mr Greg Foulis and Mr Robin Widdup, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price, expiry date and other material terms of those Related Party Options; and
- (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 and 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Related Party Options to the Related Party Grantees as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Party Grantees will not be included in the 15% calculation of the Company's twelve month capacity to issue Shares or other securities without shareholder approval pursuant to ASX Listing Rule 7.1.

6. Resolution 6 – Additional 10% Placement Facility – Listing Rule 7.1 A

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 6.2 below).

The effect of Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity under listing rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 2 classes of Equity Securities on issue which are quoted, being the Shares (ASX Code: NUS) and Options (ASX Code: NUSO).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

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

6.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section (i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

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

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

(10% Placement Capacity Period).

(c) Risk of voting dilution

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

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

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

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

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.13 50% decrease in Issue Price	\$0.26 Issue Price	\$0.52 100% increase in Issue Price
97,531,763 (Current Variable 'A')	Shares issued - 10% voting dilution	9,753,176 Shares	9,753,176 Shares	9,753,176 Shares
	Funds raised	\$1,267,913	\$2,535,826	\$5,071,652
146,297,645 (50% increase in Variable A)	Shares issued - 10% voting dilution	14,629,764 Shares	14,629,764 Shares	14,629,764 Shares
	Funds raised	\$1,901,869	\$3,803,739	\$7,607,478
195,063,526 (100% increase in Variable 'A')	Shares issued - 10% voting dilution	19,506,353 Shares	19,506,353 Shares	19,506,353 Shares
	Funds raised	\$2,535,826	\$5,071,652	\$10,143,303

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

The table above uses the following assumptions:

- (i) There are currently 97,531,763 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 23 April 2018, being the last trading day before the date of this Notice of Meeting.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own individual shareholding depending on their specific circumstances.

- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

(d) Purpose of Issue under 10% Placement Capacity

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

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), potential mining expenditure, mine infrastructure and development expenditure for the Company's current and future assets and for general working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) Allocation policy under the 10% Placement Capacity

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

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

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

- (i) the purpose of the issue;

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

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

(f) Previous Approval under ASX Listing Rule 7.1A

The Company did not obtain approval under ASX Listing Rule 7.1A at its last annual general meeting.

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

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

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

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

ADVISORY NOTE

Mr Martin Pyle who retires from his office as a Director by rotation in accordance with the Constitution and ASX Listing Rule 14.4 at this Annual General Meeting, is not seeking re-election as a Director and will retire as a Director at the close of this Annual General Meeting.

GLOSSARY

In this Explanatory Statement (and the Notice of Meeting) the following terms will bear the following meanings, unless the context otherwise requires:

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by this Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting and where relevant the Chair for the relevant part of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- A. a spouse or child of the member;
- B. a child of the member's spouse;
- C. a dependent of the member's spouse;
- D. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- E. a company the member controls; or
- F. a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Nusantara Resources Limited (ACN 150 791 290).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards (as that term is defined in the Corporations Act) and broadly includes 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, directly or indirectly, including any director (whether executive or non-executive) of the Company or if the Company is part of a consolidated entity of an entity within the consolidated group.

Meeting means the annual general meeting of Shareholders convened by this Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Related Party has the meaning given in the Corporations Act.

Related Party Grantees means Mr Greg Foulis or his nominee and Mr Robin Widdup or his nominee as relevant.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Melbourne time means time as observed in Melbourne, Victoria.

Schedule 1 – Terms and Conditions of Director Options

The principal terms of the Options are as follows:

- A. The Options will vest with the grantee of the Options as follows:
 - (a) 33⅓% of the options will vest when the 45-day volume weighted average price of Shares is 25% above the Company's initial public offering price (which was 42 cents) or greater;
 - (b) 33⅓% of the options will vest upon the decision to mine at the Awak Mas project, defined as a board decision to commence construction of the processing facility with applicable finance available; and
 - (c) 33⅓% of the options will vest upon the commencement of commercial production at the Awak Mas project, with commercial production defined as the first pour of gold dore.
- B. Upon exercise, each Option entitles the holder to one Share in the capital of the Nusantara Resources Limited ACN 150 791 290 (Company), subject to the vesting terms of the options.
- C. The Options may be exercised by lodging with the Company, before the Expiry Date either:
 - (a) a written notice of exercise of Options specifying the number of Options being exercised together with a cheque or electronic funds transfer for the Exercise Price for the Options being exercised; or
 - (b) a written election signed by the Optionholder electing to use the Cashless Exercise Facility in respect of the number of Options set out in the written election,(either of the above being an **Exercise Notice**).
- D. For the purpose of the above '**Cashless Exercise Facility**' means to exercise a number of Options and not pay an Exercise Price, and thereby receive a lesser number of Shares on exercise of the Options such that the Optionholder is allotted a number of Shares with an aggregate value equivalent to the net value of the Shares the Optionholder would have otherwise acquired if the Optionholder had paid an Exercise Price, after that Exercise Price is deducted from the value of those Shares.
- E. The exercise price of each Option is A\$0.61 and the Options expire 2 August 2021 (**Expiry Date**).
- F. The options lapse or are deemed to be forfeited 90 days after the Optionholder ceases to be a director of the Company, unless the Board determines otherwise.
- G. The Options are not transferable.
- H. All Shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued Shares.
- I. There are no participating rights and entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the

currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed ten business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as Shareholders.

J. If any takeover bid (including by way of scheme of arrangement or otherwise) is publicly announced in respect of the Company, then the following provisions apply in relation to the takeover bid:

(a) the Company must promptly give written notice of the takeover bid to the Optionholder whereupon all Options (which have not lapsed or expired), notwithstanding anything to the contrary, must be exercised at any time prior to the expiry of the later of:

- (i) 60 days after receiving such notice; and
- (ii) the date that a takeover bid (which is recommended for acceptance by the Board) becomes unconditional,

("Takeover Exercise Period") or, if applicable, within the further seven day period referred to in (d) below.

The dates referred to in paragraph (a) only apply where they occur before the Expiry Date. For the avoidance of doubt, where the Expiry Date occurs before a date referred to in J(a)(i) or (ii) the Options must be exercised on or before the Expiry Date.

(b) If, during the Takeover Exercise Period, the person making the takeover bid ("bidder") offers to grant options in the capital of the bidder ("**Replacement Options**") to the Optionholder (and, for the avoidance of doubt, this does not obligate the Company in any way to procure such an offer from the bidder) in consideration for the cancellation or acquisition of the Options, the Optionholder may, in their discretion, accept such Replacement Options instead of exercising their Options.

(c) If no offer of Replacement Options is made during the Takeover Exercise Period and accepted, the Optionholder has (other than in the case of a scheme of arrangement) a further seven days' grace after the expiry of the Takeover Exercise Period within which to exercise their Options (**Grace Period**), whereupon unexercised Options will lapse. For the avoidance of doubt, where the Expiry Date occurs before the end of the Grace Period, the Options must be exercised on or before the Expiry Date. In the case of a scheme of arrangement, the Options will lapse at the end of the Takeover Exercise Period.

(d) If the takeover bid lapses or is withdrawn or closes without being recommended for acceptance by the Board, whether the bid is conditional or unconditional, then the provisions of all the paragraphs hereof will revive in respect of any unexercised Options which Options will remain on foot.

K. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date of the Options, the number of Options or the exercise price of the Options, or both, shall be reconstructed in accordance with the Listing Rules.

L. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

(b) no change will be made to the exercise price of the Options.

M. If the Company makes a pro rata issue of Shares or other securities to existing Shareholders (other than a bonus issue or an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

$$N + 1$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

Schedule 2 - Valuation of Related Party Options

The Options to be issued to the Related Parties (or their nominee) pursuant to Resolution 4 and 5, have been valued by internal management.

Using the Black & Scholes option pricing model and based on the assumptions set out below, the Options was ascribed the following value:

Assumptions:	
Valuation date:	23 April 2018
Market price of Shares:	26 cents
Exercise price	61 cents
Expiry date	28 July 2021
Risk free interest rate	2.07%
Volatility	63.8%
Indicative value per Option	6.04 cents
Total value of Options – Resolution 4	\$26,900
Total value of Options – Resolution 5	\$17,800

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

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

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 131526

SRN/HIN:

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

 **For your vote to be effective it must be received by 10.00am (Melbourne time) on Monday 28 May 2018**

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

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

☐

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

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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

☐

the Chairman
of the Meeting OR



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Nusantara Resources Limited to be held at Rendezvous Hotel Melbourne, 328 Flinders Street, Melbourne, Victoria 3000 on Wednesday 30 May 2018 at 10.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



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

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director - Mr Robin Widdup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director - Mr Greg Foulis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to a Director - Mr Greg Foulis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Options to a Director - Mr Robin Widdup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
