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**MRL CORPORATION LIMITED**

**ACN 007 870 760**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00 am WST

**DATE:** Friday, 31<sup>st</sup> October 2014

**PLACE:** Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

*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 1300 660 448.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 10:00 am (WST) on Friday 31<sup>st</sup> October 2014 at:

Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Your vote is important

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

### Voting eligibility

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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 10:00 am on Wednesday 29<sup>th</sup> September 2014

### Voting in person

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

### Voting by proxy

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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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***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:**

- 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); and
- 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; and
- 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
- 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).

### ***Transfer of non-chair proxy to chair in certain circumstances***

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

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - 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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### 1. REPORTS AND ACCOUNTS

To receive and consider the financial statements of the Company for the period ended 30 June 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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##### 2. RESOLUTION 1 – 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 remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”*

**Please note: The vote on Resolution 1 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.

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##### 3. RESOLUTION 2 – SPILL RESOLUTION

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

*“That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:*

- (a) *the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*

- (b) all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and
- (c) resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting."

**Note: If less than 25% of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report, the Chair will withdraw this Resolution 2.**

**Voting Prohibition Statement:**

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

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

However, a person (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 the 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.

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**4. RESOLUTION 3 – ELECTION OF A DIRECTOR – MR PETER YOUND**

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 47 of the Constitution of the Company, and for all other purposes, Mr Peter Youd, who was appointed a Director of the Company on 6 June 2014 and who retires, and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 4 – ELECTION OF A DIRECTOR – MR DENIS GELDARD**

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 47 of the Constitution of the Company, and for all other purposes, Mr Denis Geldard, who was appointed a Director of the Company on 11 November 2013 and who retires, and being eligible, is elected as a Director."*

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**6. RESOLUTION 5 – ELECTION OF A DIRECTOR – MR PETER HEPBURN-BROWN**

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

*"That, for the purposes of clause 47 of the Constitution of the Company, and for all other purposes, Mr Peter Hepburn-Brown, who*

*was appointed a Director of the Company on 7 February 2014 and who retires, and being eligible, is elected as a Director."*

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**7. RESOLUTION 6 – ELECTION OF A DIRECTOR – MR JOEL CHONG**

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 47 of the Constitution of the Company, and for all other purposes, Mr Joel Chong, who was appointed a Director of the Company on 29 September 2014 and who retires, and being eligible, is elected as a Director."*

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**8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

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

*"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, this meeting ratifies the issue of 16,400,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

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

*"That, for the purposes of ASX Listing Rule 7.4 and all other purposes, this meeting ratifies the issue of 150,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**10. RESOLUTION 9 – PLACEMENT ISSUE OF NEW OPTIONS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, this meeting approves the offer and issue of 8,200,000 New Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and 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 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.

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**11. RESOLUTION 10 – ISSUE OF SHARES TO SUPREME GLOBAL HOLDINGS (PVT) LTD**

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

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 5,000,000 Shares to Supreme Global Holdings (Pvt) Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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.

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**12. RESOLUTION 11 – DIRECTOR OPTIONS – MR CRAIG MCGUCKIN**

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

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 5,000,000 Director Options to Mr Craig McGuckin (or his nominee) under the Employee Option Plan in accordance with the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 Statement:**

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a 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.

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### 13. RESOLUTION 12 - DIRECTOR OPTIONS – MR PETER YOUD

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

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 5,000,000 Director Options to Mr Peter Youd (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 Statement:**

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

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a 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.

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### 14. RESOLUTION 13 – DIRECTOR OPTIONS – MR DENIS GELDARD

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

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Director Options to Mr Denis Geldard (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 Statement:**

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a 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.

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**10. RESOLUTION 14 – DIRECTOR OPTIONS – MR PETER HEPBURN-BROWN**

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

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue, up to 1,000,000 Director Options to Mr Peter Hepburn-Brown (or his nominee) under the Employee Option Plan in accordance with terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 Statement:**

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a 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.

to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 29 September 2014**

**By order of the Board**

A handwritten signature in black ink, appearing to read 'Peter Youd', with a stylized flourish at the end.

**Mr Peter Richard Youd  
Director**

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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 <http://www.mrltd.com.au/>.

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### 2. RESOLUTION 1 – REMUNERATION REPORT FOR YEAR ENDED 30 JUNE 2014

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were more than 25%. Accordingly, the Spill Resolution will be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report resolution are voted against adoption of the Remuneration Report. Refer to Resolution 3 and Section 3 for further information.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel <sup>1</sup>	Voted	Not voted <sup>3</sup>
Chair <sup>2</sup>	Voted	Voted at discretion of Proxy <sup>4</sup>
Other	Voted	Voted at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – SPILL RESOLUTION

**If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 2.**

### 3.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

### **3.2 Proxy voting restrictions**

Shareholders appointing a proxy for this Resolution should note the voting restrictions set out in Section 2.4 apply in the same manner to this Resolution.

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## **4. RESOLUTIONS 3 - 6 – ELECTION OF DIRECTORS PETER YOUD, DENIS GELDARD, PETER HEPBURN-BROWN AND JOEL CHONG**

Clause 47 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 in the Company's constitution.

Pursuant to clause 47 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr Peter Youd having been appointed on 6 June 2014, Mr Denis Geldard having been appointed on 11 November 2013, Peter Hepburn-Brown having been appointed on 7 February 2014 and Joel Chong having been appointed 29 September will retire in accordance with Clause 47 of the Constitution of the Company and being eligible seek election from Shareholders.

The Company considers the following information is relevant to Shareholders when considering whether or not to elect Mr Youd, Mr Geldard, Mr Hepburn-Brown and Mr Chong.

### **Peter Youd**

Peter Youd is a Chartered Accountant and has extensive experience within the resources, oil and gas services, financial services and e-business industries. For the last 25 years Mr Youd has held a number of senior management positions and directorships for publicly listed and private companies in Australia and overseas.

The Board considers that Mr Youd is not an independent director because he is an executive director.

### **Denis Geldard**

Mr Denis Geldard has been appointed as a non-executive director. Mr Geldard has over 40 years of technical and operational experience in exploration and project development in Australia and internationally. Mr Geldard is a mining graduate from the Kalgoorlie School of Mines in Western Australia. Mr Geldard has managed and run a number of junior and mid-tier mining and exploration companies and mining operations over the past 40 years including Directorships of a number of Australian listed mining and exploration.

The Board considers that Mr Geldard is an independent director because he does not have a material or pecuniary relationship with company or related persons.

### **Peter Hepburn-Brown**

Mr Hepburn-Brown brings over 30 years of experience as a mining engineer in both open pit and underground mining operations with an extensive

background in narrow vein mining technologies. He has worked in Australia, Philippines and Africa. Peter is the Managing Director of Medusa Mining Ltd having been appointed to that position on 9 June 2011 after having joined the board of the Company in September 2009. He is a Member, Institute of Engineers, Australia and has held numerous public company directorships.

The Board considers that Mr Hepburn-Brown is an independent director because does not have a material or pecuniary relationship with company or related persons.

### **Joel Chong**

Mr Chong holds a Master's Degree in Science from Arizona State University and has provided engineering and sustainability consultancy services to numerous Australian resources companies with projects in Australia, Asia and Indonesia.

He has also assisted small and mid-cap resource companies doing business with Asian companies, especially in China, by using his networks in the resources industries throughout Singapore, Hong Kong, China and North America.

Mr Chong's contacts and experience have enabled him to help bridge the gap for many companies working across these regions.

The Board considers that Mr Chong is not an independent director because he has a material or pecuniary relationship with company or related persons

*The Directors, with Mr Peter Youd abstaining, support the election of Mr Youd and recommend Shareholders vote in favour of Resolution 3.*

*The Directors, with Mr Denis Geldard abstaining, support the election of Mr Geldard and recommend Shareholders vote in favour of Resolution 4.*

*The Directors, with Mr Peter Hepburn-Brown abstaining, support the election of Mr Hepburn-Brown and recommend Shareholders vote in favour of Resolution 5.*

*The Directors, with Mr Joel Chong abstaining, recommend support the election and of Mr Chong Shareholders vote in favour of Resolution 6.*

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## **5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

### **5.1 Background**

On 8 September 2014, the Company announced it would raise up to \$1,148,000 via the issue of up to 16,400,000 shares at an issue price of \$0.07 per Share through a private placement of shares, to professional and sophisticated shareholders (the **Placement**).

The Company issued 16,400,000 shares under the Company's discretionary capacity under the ASX Listing Rules. The issue of these securities was completed on 16 September 2014.

A further 150,000 Shares were issued to a Sri Lankan employee to remunerate him for services provided to the Company.

ASX Listing Rule 7.1 provides that a company must not, 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.

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

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

## **5.2 Specific information require by ASX Listing Rule 7.5 with respect to Resolution 6**

For the purposes of ASX Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) 16,500,000 Shares were issued on 16 September 2014.
- (b) The issue price of the Shares was \$0.07 each.
- (c) The Shares issued are fully paid ordinary shares in the Company and rank equally in all respects with the Company's existing ordinary shares.
- (d) The Shares were issued to sophisticated and institutional investors who are clients of CPS Capital to whom under section 708 of the Corporations Act a disclosure document under Chapter 6D of the Corporations Act is not required to be given, and none of whom is a related party of the Company.
- (e) The funds from the Placement will be used for a bulk sampling program and exploration at the graphite projects in Sri Lanka and general working capital and corporate purposes.

## **5.3 Directors' recommendation**

The Directors recommend that the Shareholders vote in favour of the resolution.

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## **6. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF SECURITIES**

### **6.1 General**

On 16 September 2014, the Company issued 150,000 Shares in consideration for services provided by a Sri Lankan employee of the Company.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 5.1 above.

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

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 150,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration to remunerate one of the Company's Sri Lankan employees;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Theenathayalan Gobinath, a Sri Lankan employee of the Company, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration to remunerate one of the Company's Sri Lankan employees.

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## **7. RESOLUTION 9 – PLACEMENT ISSUE OF OPTIONS**

### **7.1 Background**

As set out in Section 6.1 above the Company undertook the Placement to raise up to \$1,148,000 via the issue of up to 16,400,000 Shares. The Company has agreed to issue, subject to Shareholder approval, one free attaching New Option for every two Shares issued under the Placement. The New Options are exercisable at \$0.20 per share on or before 17 October 2016. In this regard they are the same series and terms and conditions as the existing option series (ASX:MRFOA).

Resolution 9 seeks Shareholder approval for the issue of these 8,200,000 New Options to be issued to the sophisticated and institutional investors who participated in the Placement.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 5.1 above

The effect of Resolution 9 will be to allow the Company to issue the New Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of New Options to be issued is 8,200,000;
- (b) the New 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 New Options will occur on the same date;
- (c) the New Options will be issued for nil cash consideration as free attaching to the Shares under the Placement on a one for two basis;
- (d) the New Options will be issued to sophisticated and institutional investors who are clients of CPS Capital and participated in the Placement. None of these subscribers are related parties of the Company;



- (e) the New Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue as the New Options are being issued as free attaching to the Shares issued under the Placement on a one for two basis.

### 7.3 Directors' recommendation

The Directors recommend that the Shareholders vote in favour of the resolution.

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## 8. RESOLUTION 10 – ISSUE OF SHARES TO SUPREME GLOBAL HOLDINGS (PVT) LTD

### 8.1 Background

In 2013, as approved at a shareholder meeting held on 9 October 2013, the Company acquired the issued capital of MRL Graphite (Pvt) Ltd from Supreme Solutions (Pvt) Ltd (a Company registered in Sri Lanka) (**Acquisition**). Pursuant to a deed of novation Supreme Solutions (Pvt) Ltd novated its rights pursuant to the Acquisition to Supreme Global Holdings (Pvt) Ltd (**Supreme Holdings**).

The consideration payable by the Company for the Acquisition included deferred consideration of the issue of 5,000,000 Shares (**Deferred Consideration**) upon the first conversion of an area within the Projects to an industrial mining licence (**Milestone**).

As announced on 19 August 2014, the Company entered into a head of agreement to acquire a project with a granted industrial mining licence (**New Project**). This New Project was introduced by Supreme Holdings, accordingly the Company has entered into a Deed of Variation and Acknowledgement to amend the terms of the Milestone and allow the Deferred Consideration to be issued to Supreme Holdings on the introduction of the New Project.

Resolution 10 seeks Shareholder approval for the issue of 5,000,000 Shares to Supreme Holdings pursuant to the terms of the Deed of Variation and Acknowledgement.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 5.1 above

The effect of Resolution 10 will be to allow the Company to issue the Shares to Supreme Solutions 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.

### 8.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is 5,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on the same date;

- (c) the Shares will be issued as consideration for the introduction of the New Project and as part consideration for the acquisition of MRL Graphite;
- (d) the Shares will be issued to Supreme Global Holdings (Pvt) Ltd, a company incorporated in Sri Lanka, (or its nominee), which is not a related party of the Company;
- (e) 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; and
- (f) no funds will be raised from the issue as the Shares are being issued in consideration for the introduction of the New Project and as part consideration for the acquisition of MRL Graphite.

### 8.3 Directors' recommendation

The Directors recommend that the Shareholders vote in favour of the resolution.

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## 9. RESOLUTIONS 11 TO 14 – ISSUE OF DIRECTOR OPTIONS TO CRAIG MCGUCKIN, PETER YOUD, DENIS GELDARD AND PETER HEPBURN-BROWN

### 9.1 General

As approved by Shareholders on 10 December 2012, the Company has adopted an employee incentive scheme titled "Employee Share Option Plan" (**Employee Option Plan**). The terms of the Employee Option Plan as summarised in Schedule 2.

It is proposed that, subject to obtaining Shareholder approval, to issue a total of 12,000,000 Director Options to Messrs McGuckin, Youd, Geldard and Hepburn-Brown (**Related Parties**) under the Employee Option Plan as an incentive to further motivate and reward their performances with the Company, in accordance with the terms and conditions set out below.

Under the Employee Option Plan rules, the Board in its absolute discretion may from time-to-time determine that eligible persons (which includes directors and employees) be invited to participate in the Employee Option Plan.

The Employee Option Plan has been used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Principles and Recommendations recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

The Company considers that the issue of the Director Options is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

Pursuant to Resolutions 11, 12, 13 and 14 Director Options will be issued to non-executive Directors being Messrs Geldard and Hepburn-Brown. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Principles and Recommendations, the Company considers that it is appropriate for non-executive Directors to participate in the Plan given the size of the Company.

The terms and Conditions of the Director Options are contained in Schedule 3 of this Notice.

## **9.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that 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 Director Options constitutes giving a financial benefit and Messrs McGuckin, Youd, Geldard and Hepburn-Brown are related parties of the Company by virtue of being Directors.

With respect to Resolution 11, the Directors (other than Mr Craig McGuckin, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Craig McGuckin because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 12, the Directors (other than Mr Peter Youd, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Peter Youd because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 13, the Directors (other than Mr Denis Geldard, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Denis Geldard because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

With respect to Resolution 14, the Directors (other than Mr Peter Hepburn-Brown, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Director Options to be issued to Mr Peter Hepburn-Brown because the reasonable remuneration exception in Section 211 of the Corporations Act applies.

### 9.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If Resolutions 11 - 14 are passed, Director Options will be issued to the Related Parties, Directors or past Directors of the Company within the past 6 months. Therefore, the Company requires Shareholder approval to issue the Director Options to the Related Parties.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under ASX Listing Rule 10.14 and Exception 9(b) of ASX Listing Rule 7.2. The issue of Director Options to the Related Parties will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### 9.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Director Options to the Related Parties:

- (a) the Related Parties are Messrs McGuckin, Youd, Geldard and Hepburn-Brown are who is a related party by virtue of being a Director;
- (b) a maximum number of 12,000,000 Director Options will be issued as follows:
  - (i) up to 5,000,000 Director Options to Mr McGuckin (or his nominee);
  - (ii) up to 5,000,000 Director Options to Mr Youd (or his nominee);
  - (iii) up to 1,000,000 Director Options to Mr Geldard (or his nominee); and
  - (iv) up to 1,000,000 Director Options to Mr Hepburn-Brown (or his nominee);
- (c) the Director Options will be issued for nil cash consideration under the terms of the Employee Option Plan and no cash consideration will be payable upon the exercising of the Director Options or the subsequent issue of Shares (if any);
- (d) since the Employee Option Plan was approved by Shareholders on 10 December 2012, the following Options have been issued to the following parties or their nominees for nil cash consideration under the Employee Option Plan:
  - (i) 5,000,000 Director Options to Mr McGuckin;
  - (ii) 5,000,000 Director Options to Mr Youd;
  - (iii) 1,000,000 Director Options to Mr Reilly;

- (iv) 1,000,000 Director Options to Mr Geldard; and
- (v) 1,000,000 Director Options to Mr Hepburn-Brown;
- (e) as at the date of this Notice, Messrs McGuckin, Youd, Geldard and Hepburn-Brown are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Director Options under the Employee Option Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) no loans have been provided to the Related Parties in relation to the acquisition of the Director Options; and
- (g) the Director Options will be issued to the Related Parties no later than 12 months after the date of the Meeting.
- (h) the Director Options will be issued on the terms and conditions set out in Schedule 3; and
- (i) no funds will be raised from the issue of the Director Options as they are being issued for nil consideration.

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## GLOSSARY

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**\$** means Australian dollars.

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

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX 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.

**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 or 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 MRL Corporation Limited (ACN 007 870 760).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Director Option** means an option to acquire a Share with the terms and conditions set out in Schedule 3.

**Employee Option Plan** has the meaning given to the term in Section 9.1 of the Explanatory Statement.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Managing Director** means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

**New Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

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

**Option** means an option to acquire a Share including New Options and Director Options as the context requires.

**Optionholder** means a holder of a New Option or Director Option as the context requires.

**Proxy Form** means the proxy form accompanying the Notice.

**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 registered holder of a Share.

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS

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The Options will be granted on the terms set out below:

- (a) Each Option entitles the holder to subscribe for one Share in the Company at an exercise price of 0.20 cents (**Exercise Price**).
- (b) The Options will expire at 5:00 pm (AEST) on 17 October 2016 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Company will apply for quotation of Options on ASX within 7 days after the issue of the options. If ASX does not grant official quotation of the Shares and Options within 3 months after the date of the Prospectus, the Company will not issue any Options.
- (d) There is no obligation to exercise the Options.
- (e) The Options may be exercised in whole or in part, and if exercised in part, multiples of 500 Options must be exercised on each occasion. Where less than 500 Options are held, all Options must be exercised together.
- (f) A holder of Options may exercise its Options by lodging with the Company Secretary at the Company's registered office, before the Expiry Date:
  - (i) A written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) A cheque or electronic funds transfer for the total Exercise Price for the number of Options being exercised.
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the appropriate Exercise Price, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are freely transferable.
- (j) All Shares issued upon the exercise of Options will be fully paid and will rank pari passu in all respects with other issued Shares. The rights and liabilities attaching to the Shares issued upon exercise of the Options are set out above.
- (k) The Company will apply for Official Quotation by ASX of the Shares issued upon exercise of Options within 10 Business Days of issue of the Shares.
- (l) If the Company offers Shares by way of a pro rata issue (except a bonus issue) to the holders of Shares (whether renounceable or non-renounceable), the exercise price of a Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (m) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each Option is exercisable will be increased by the number of Shares which the holder would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.
- (n) In the event of any reorganisation (including a consolidation, sub-division, reduction, cancellation or return) of the issued capital of the Company, the rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (o) Options do not entitle the holder to:
  - (i) participate in a new issue of Shares or other Securities;
  - (ii) receive dividends; or
  - (iii) attend, or vote at, meetings of the Company, without first exercising the Option.
- (p) Other than as set out above, an Option does not confer the right to a change in the Exercise Price or a change in the number of underlying Securities over which the Option can be exercised.



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## **SCHEDULE 2 – EMPLOYEE OPTION PLAN**

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### **1. Terms and Conditions of Plan**

The key terms of the Plan are set out below. A full copy of the Plan is available for inspection at the Company's registered office.

### **2. Entitlement to Participate**

The Board (or a committee to which the Board has delegated its powers and discretions under the Plan and responsibility for the management and administration of the Plan) may grant Plan Options to any employee of the Company or an Associated Company (including Directors who hold a salaried office with the Company), and issue an invitation and application form to that person. The Board will consider factors such as the seniority and position of the potential participant, length of service, record of employment and potential contribution to growth and profitability of the Company.

### **3. Exercise Price**

The Board will determine in its discretion the exercise price of the Plan Options, provided that the exercise price must not be less than the closing price of Shares sold on ASX on the last trading day on which the Shares were traded as at the date the Board decides to invite the Participant to apply for the Plan Options.

### **4. Option Period (expiry date)**

The expiry date of a Plan Option issued under the Plan is three (3) years after the date of the issue of the Plan Option, or such other date as the Board determines in its discretion at the time of making an invitation to a participant to subscribe for one or more Plan Options under the Plan.

### **5. Exercise Conditions**

The Board may, in respect of a Plan Option, determine any conditions that must be met before that Plan Option can be exercised.

### **6. Lapsing of Plan Options**

The Plan Options of a participant in the Plan will lapse where:

- (a) The participant ceases to be an employee or Director of, or to render services to, a member of the Group (other than because of a Qualifying Reason) and the Exercise Conditions have not been met;
- (b) The Exercise Conditions are unable to be met;
- (c) The Option Period has expired;
- (d) The Board (in its absolute discretion) determines that the Plan Options lapse on the basis that the participant has engaged in dishonest, fraudulent, negligent or criminal misconduct; or
- (e) The Company commences to be wound up.

### **7. Exercise of Plan Options**

- (a) Plan Options issued under the Plan are exercised by the Holder delivering to the Company (at a time when the Plan Options may be exercised):
- (b) a notice addressed to the Company and signed by the Holder stating that the Holder exercises the Plan Options and specifying the number of Plan Options being exercised; and
- (c) payment of an amount equal to the Exercise Price multiplied by the number of Plan Options which are being exercised, by cheque, bank draft or postal order made out in favour of the Company, or by electronic payment in accordance with the directions on the Invitation and Application Form or such other directions given by the Company.

### **8. Quotation**

The Company will make an application for the Shares issued as a result of the Plan Options being exercised to be quoted in accordance with the Listing Rules.

**9. New Issues**

Holders may only participate in new issues of Securities to holders of Shares in respect of a Plan Option if that Plan Option has been exercised, and in determining entitlements to the new issue, only Shares issued or transferred in respect of that Plan Option before the record date will be taken into account.

**10. Limit on Plan Options**

The Board must not invite a Participant to apply for a Plan Option where to do so would exceed the limit set out in ASIC Class Order 03/184.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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The Options will be granted on the terms set out below:

- (a) Each Option entitles the holder to subscribe for one Share in the Company at an exercise price of 0.092 cents (**Exercise Price**).
- (b) The Options will expire at 5:00 pm (AEST) on 31 October 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Company will apply for quotation of Options on ASX within 7 days after the date of the prospectus. If ASX does not grant official quotation of the Shares and Options within 3 months after the date of the Prospectus, the Company will not issue any Options.
- (d) There is no obligation to exercise the Options.
- (e) The Options may be exercised in whole or in part, and if exercised in part, multiples of 500 Options must be exercised on each occasion. Where less than 500 Options are held, all Options must be exercised together.
- (f) A holder of Options may exercise its Options by lodging with the Company Secretary at the Company's registered office, before the Expiry Date:
  - (i) A written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) A cheque or electronic funds transfer for the total Exercise Price for the number of Options being exercised.
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the appropriate Exercise Price, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are freely transferable.
- (j) All Shares issued upon the exercise of Options will be fully paid and will rank pari passu in all respects with other issued Shares. The rights and liabilities attaching to the Shares issued upon exercise of the Options are set out above.
- (k) The Company will apply for Official Quotation by ASX of the Shares issued upon exercise of Options within 10 Business Days of issue of the Shares.
- (l) If the Company offers Shares by way of a pro rata issue (except a bonus issue) to the holders of Shares (whether renounceable or non-renounceable), the exercise price of a Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
- (m) If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each Option is exercisable will be increased by the number of Shares which the holder would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.
- (n) In the event of any reorganisation (including a consolidation, sub-division, reduction, cancellation or return) of the issued capital of the Company, the rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (o) Options do not entitle the holder to:
  - (i) participate in a new issue of Shares or other Securities;
  - (ii) receive dividends; or
  - (iii) attend, or vote at, meetings of the Company, without first exercising the Option.
- (p) Other than as set out above, an Option does not confer the right to a change in the Exercise Price or a change in the number of underlying Securities over which the Option can be exercised.

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