

15 January 2015

Dear Shareholder

## **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Heemskirk Consolidated Limited, (*the Company*) will be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne, Victoria on Thursday 26 February 2015 at noon (AEDT).

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 and the Explanatory Statement.

## **Items of Business**

### **Receipt and Consideration of Accounts and Reports**

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2014.

### **Resolution 1 – Adoption of Remuneration Report**

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

“That for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report of the Company for the financial year ended 30 September 2014 be adopted.”

**Voting exclusion:** The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this Resolution are set out in the Explanatory Statement.

*While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.*

### **Resolution 2 – Re-election of Mr William (Lex) Hansen as Director**

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

“That Mr William (Lex) Hansen, who retires by rotation in accordance with Rule 16.1 of the Company's Constitution, being eligible offers himself for re-election, be re-elected as a Director of the Company.”

*The non-candidate Directors unanimously support the re-election of Mr William (Lex) Hansen, and recommend that shareholders vote in favour of this resolution.*

### **Resolution 3 – Approval of Additional 10% Placement Capacity**

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

“That for the purpose of ASX Listing Rule 7.1A and all other purposes, approval be given for the issue of up to 10% of the Company's share capital calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

*The Board unanimously recommends that shareholders vote in favour of this resolution.*

**Voting exclusion:** The Company will disregard any votes cast on this resolution by certain persons, in accordance with the voting exclusions as set out in the Explanatory Statement.

By order of the Board

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Metcalfe', followed by a long horizontal flourish.

Andrew Metcalfe  
Company Secretary

## Explanatory Statement

### Receipt and Consideration of Accounts and Report

The *Corporations Act 2001 (Cth)* ("Corporations Act") requires the Financial Report (which includes Financial Statements, Notes to the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be tabled at the Annual General Meeting. The Constitution of Heemskirk Consolidated Limited provides for these reports to be received and considered at the Meeting. There is no requirement, either in the Corporations Act or the Constitution, for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports.

The Company's Annual Report (which includes the Financial Report and associated reports of the Directors and the Auditors) is available on the Company's website at [www.heemskirk.com](http://www.heemskirk.com)

### Resolution 1 – Adoption of Remuneration Report (Non Binding Resolution)

The Corporations Act requires, that at a listed Company's Annual General Meeting, a resolution that the remuneration report be adopted be put to the shareholders. However, section 250R(3) of the Corporations Act expressly provides that the vote on such a resolution is advisory only and does not bind the Directors of the Company. The Board will take the outcome of the vote into consideration when reviewing its remuneration practices and policies.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (described as '**Key Management Personnel**') as required by section 300 of the Corporations Act. The Remuneration Report is part of the Directors' report contained at pages 12-22 in the Annual Financial Report of the Company for the financial year ending 30 September 2014.

A reasonable opportunity will be provided for shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

### Voting Exclusion

A vote on Resolution 1 must not be cast by the following persons:

- a) each of the 5 Directors of the Company named in the table on page 40 of the 2014 Annual Report;
- b) each of the other Key Management Personnel of the Company named in the table on page 40 of the 2014 Annual Report; and
- c) each "closely related party" (as defined in Section 9 of the Corporations Act) of a person in a) or b) above,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with the direction on the proxy form and the vote is not cast on behalf of a person described in items (a) to (c) above.

The restrictions described above do not apply to the Chairman where the proxy appointment expressly authorises the Chairman to exercise an undirected proxy. If the member appoints the Chairman as their proxy and the member acknowledges that the Chairman may exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

The *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on Key Management Personnel and their closely related parties from voting or voting undirected proxies which they hold on a resolution for the adoption of the Remuneration Report.

Accordingly, any undirected proxies held by the Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on this Resolution. This prohibition does not apply to the Chairman of the meeting who may vote undirected proxies in favour of the resolution, providing that the shareholder expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

The Company encourages all shareholders entitled to vote, to cast their votes in relation to Resolution 1 and if shareholders choose to appoint a proxy, shareholders are encouraged to direct their proxy how to vote on thus Resolution by marking either "For", "Against" or "Abstain" on the proxy form or by marking the Chairman's box (in which case the Chairman of the meeting will vote your proxy in favour of the Resolution 1).

### **Recommendation on Resolution 1**

While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report. The Chairman will vote any undirected proxies in favour of this resolution.

### **Resolution 2 - Re-election of Director – Mr William (Lex) Hansen**

*BSc, MBA, FAusIMM, FAICD*

#### **Non-Executive Director**

Mr Hansen has more than 45 years' experience within the mining industry. He was an Executive Director of Corporate Finance (Mining) at HSBC Bank Australia Limited with regional responsibility for resources debt and equity investment appraisals and underwriting transactions.

Mr Hansen was a Director and Partner of share-broking firm Roach & Co. Prior to that, he held technical and finance positions with CSR Limited, Tenneco Corp and Utah Development Company. Mr Hansen has been a Non-Executive Director of Endocoal Limited and was previously a Non-Executive Director of Platinum Australia Limited.

Mr Hansen joined the Board on 1 March 2004.

### **Recommendation on Resolution 2**

The Board (with Mr William (Lex) Hansen abstaining) unanimously recommends that shareholders vote in favour of Mr Hansen's re-election. The Chairman will vote any undirected proxies in favour of this resolution.

### **Resolution 3 - Approval of additional 10% Placement Capacity**

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an Annual General Meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (*10% Placement Capacity*). The additional 10% placement capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The effect of Resolution 3 will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without, or in addition to, using the Company's 15% placement capacity under Listing Rule 7.1.

## Eligibility

An eligible entity under Listing Rule 7.1A is one which has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company hereby seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated as follows:

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

where

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months;

Note that A has the same meaning in the Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under 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 Rule 7.1 or 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities being fully paid ordinary shares.

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to Listing Rules 7.1A.4 and 3.10.5A:

- (a) give to the ASX a list of the allottees of the equity securities and the number of equity securities caused to be allotted to each (but this list is not required to be released to the market); and
- (b) disclose to the market the details of the dilution to the existing holders of ordinary securities caused by the issue; where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement rather than as a pro rata issue; the details of any underwriting arrangements and fees payable to the underwriter; and any other fees or costs incurred in connection with the issue.

## Minimum price

Any equity securities issued by the Company Under Listing Rule 7.1A can only be issued at a price that is no less than 75% of the volume weighted average price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- a) the date on which the price at which the securities are to be issued is agreed; or
- b) the date on which the securities are issued if the securities are not issued within five trading days of the date on which the issue price is agreed.

## Dilution to existing security holders

If Resolution 3 is approved by shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by Listing Rule 7.3A.2 where the number of the Company's shares on issue (variable "A" in the formula in Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 14 January 2015.

Number of shares on issue Variable "A"	Additional 10% placement Shares issued & Funds raised	Dilution		
		\$0.0425 Issue price at half current market price	\$0.085 Issue price at current market price	\$0.17 Issue price at double current market price
<b>Current</b> 154,438,439	Shares issued	15,443,844	15,443,844	15,443,844
	Funds raised	\$656,363	1,312,727	\$2,625,453
<b>50% increase</b> 231,657,659	Shares issued	23,165,766	23,165,766	23,165,766
	Funds raised	\$984,545	\$1,969,090	\$3,938,180
<b>100% increase</b> 308,876,878	Shares issued	30,887,688	30,887,688	30,887,688
	Funds raised	\$1,312,727	\$2,625,453	\$5,250,907

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- a) the Company issues the maximum number of securities available under the additional 10% placement;
- b) the table shows only the effect of issues of securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- c) no options (including options issued under the 10% Placement Capacity) are exercised into shares before the date of issue of equity securities;

- d) 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%;
- e) the table does not show an example of dilution that may be caused to a particular shareholder by reason of the placements under Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting; and
- f) the issue price at current market price is the closing price of the shares on ASX on 14 January 2015.

### **10% placement period**

Shareholder approval under Listing Rule 7.1A is valid from the date of the Annual General Meeting until the earlier of:

- a) 12 months after the Annual General Meeting; or
- b) The date of approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

### **Purpose of 10% additional placement**

The Company may seek to issue securities under the 10% placement for either:

- a) Cash consideration. The Company may use the funds for working capital, towards potential transactions or for other corporate purposes deemed by the Board to be in the best interests of the Company; or
- b) Non-cash consideration for transactions deemed by the Board to be in the best interests of the Company. In such circumstances the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

The Company will comply with any disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon the issue of any securities under Listing Rule 7.1A.

### **Allocation policy**

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement. The identity of allottees of equity securities will be determined on a case by case basis having regard to factors including, but not limited to, the following:

- a) the methods of raising funds that are then available to the Company;
- b) the effect of the issue of the equity securities on the control of the Company;
- c) the financial situation and solvency of the Company; and
- d) advice from professional and corporate advisers (if applicable).

Allottees under the 10% placement have not been determined as at the date of this Notice of Meeting and may include existing and/or new security holders but cannot include any related parties or associates of a related party of the Company.

### **Previous Issues of Securities**

The Company has not issued any equity securities in the 12 months preceding the date of the Annual General Meeting. Shareholder approval to have the additional capacity to issue equity securities under ASX Listing Rule 7.1A was previously obtained at the Annual General Meeting held on 20 February 2014.

**Voting exclusion**

The Company must disregard any votes cast on Resolution 3 by:

- (a) person (and any associate of that person) who may participate in the proposed issue of securities pursuant to this Resolution and a person might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities; and
- (b) an associate of a person described at (a).

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person eligible to vote on the resolution, in accordance with the Proxy Form; or
- (d) it is cast by the Chairman as proxy for a person eligible to vote on the resolution, in accordance with the Proxy Form.

At the date of the Notice of Meeting the Company has not invited, and has not determined to invite, any particular existing security holder or an identifiable class of existing security holders to participate in an offer under Listing Rule 7.1A. Therefore no existing security holder will be excluded from voting on Resolution 3.

**Recommendation on Resolution 3**

The Board unanimously recommends that shareholders vote in favour of the additional 10% Placement Capacity. The Chairman will vote any undirected proxies in favour of this resolution.



## General Notes

### Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the Meeting, shares will be taken to be held by those persons recorded on the Company's register as at 7:00pm AEDT on Tuesday 24 February 2015.

### Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

### Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

### Proxies

A member entitled to attend and vote at the Annual General Meeting may appoint one or two persons to attend and vote at the Meeting as the member's proxy. If you wish to appoint a second proxy you will need to complete a second form. Boardroom Pty Limited will provide additional proxy forms upon request.

A proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

Under recent amendments to the Corporations Act, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at the meeting;
- the appointed proxy is not the Chairman of the meeting;
- at the meeting, a poll is duly demanded on the resolution; and
- either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chairman 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.

To be effective, proxy forms must be received by the registry:

In person:	Boardroom Pty Limited Level 7, 207 Kent Street Sydney NSW 2000
By mail: (reply paid envelope enclosed);	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
By fax:	Boardroom Pty Limited + 61 2 9290 9655
Online:	Vote online at : <a href="http://www.votingonline.com.au/heemskirkagm2015">www.votingonline.com.au/heemskirkagm2015</a>

by no later than noon AEDT on Tuesday 24 February 2015.

#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before noon AEDT on Tuesday 24 February 2015.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.votingonline.com.au/heemskirkagm2015](http://www.votingonline.com.au/heemskirkagm2015)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 4: Enter your VAC:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **noon AEDT on Tuesday, 24 February 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxy forms may be lodged using the enclosed Reply Paid Envelope or:**

🖥 **Online** [www.votingonline.com.au/heemskirkagm2015](http://www.votingonline.com.au/heemskirkagm2015)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Heemskirk Consolidated Limited

ABN 18 106 720 138

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## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Heemskirk Consolidated Limited** (Company) and entitled to attend and vote hereby appoint:

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the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **RACV Club, Level 2, 501 Bourke Street, Melbourne, Victoria on Thursday, 26 February, 2015 at noon AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for Heemskirk Consolidated Limited.

**The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1).** If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

#### ORDINARY RESOLUTIONS

Resolution 1 Adoption of Remuneration Report

For Against Abstain\*

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Resolution 2 Re-election of Mr William (Lex) Hansen as Director

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#### SPECIAL RESOLUTION

Resolution 3 Approval of Additional 10% Placement Capacity

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### STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015