



Australian Natural Proteins Limited
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ASX Code: AYB

Notice of Annual General Meeting

Notice is hereby given that the 2015 Annual General Meeting of Australian Natural Proteins Limited ACN 095 821 971 will be held at the Hotel Charsfield, 478 St Kilda Road, Melbourne VIC 3004 on Thursday, 22 October 2015 at 11:30 am AEDT.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

1. Agenda for the Meeting

Financial statements and reports

The Meeting will consider the financial statements and reports of the Company including the income statement, balance sheet, statement of changes in equity, cash flow statement, the notes to the financial statements, the Directors' declaration and the reports of the Directors and Auditors for the financial year ended 30 June 2015.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's financial statements and reports.

The Company's auditor, PKF Lawler, will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

The Australian Natural Proteins Limited 2015 Annual Report can be viewed online at the Company's website www.australiannaturalproteins.com.au.

Resolution 1 - Adoption of Remuneration Report

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

“That for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report for the year ended 30 June 2015 be adopted.”

Voting Exclusion Statement: In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Election of Mr. Paul Duckett as a Director

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

“That Mr. Paul Duckett who was appointed by the Directors on 3 February 2015, retires in accordance with clause 13.3 of the Company’s Constitution and being eligible for election, is elected as a director of the Company.”

Resolution 3 – Election of Mr. Raymond Taylor as a Director

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

“That Mr. Raymond Taylor who was appointed by the on 3 February 2015, retires in accordance with clause 13.3 of the Company’s Constitution and being eligible for election, is elected as a director of the Company.”

Resolution 4 – Election of Mr. Trevor Kelly as a Director

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

“That Mr. Trevor Kelly who was appointed by the Directors on 3 February 2015, retires in accordance with clause 13.3 of the Company’s Constitution and being eligible for election, is elected as a director of the Company.”

Resolution 5 – Election of Mr. Ping Huang as a Director

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

“That Mr. Ping Huang who was appointed by the Directors on 3 February 2015, retires in accordance with clause 13.3 of the Company’s Constitution and being eligible for election, is elected as a director of the Company.”

Resolution 6 – Approve the issue of 36,125,000 Shares and 5,000,000 Options upon conversion of Notes.

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 all other purposes, the issue of 5,000,000 Shares and 5,000,000 Options upon conversion of 30,000 Tranche 1 Notes and the issue of 31,125,000 Shares upon conversion of 186,750 Tranche 2 Notes as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who may participate in the issue or might obtain a benefit and any of their associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Approve the issue of 15,333,334 Shares and 5,000,000 Options upon conversion of Notes to Paul Duckett or his nominees

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 10.11 and all other purposes, the issue of 5,000,000 Shares and 5,000,000 Options upon conversion of 30,000 Tranche 1 Notes and the issue of 10,333,334 Shares upon conversion of 62,000 Tranche 2 Notes, to Paul Duckett or his nominees, as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by:

- Paul Duckett; and
- any associate of Paul Duckett.

However, the Company need not disregard a vote cast on Resolution 7 if it is cast by:

- a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 8 – Approve the issue of 21,824,833 Shares and 3,778,667 Options upon conversion of Notes to Raymond Taylor or his nominees

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 10.11 and all other purposes, the issue of 3,778,667 Shares and 3,778,667 Options upon conversion of 22,672 Tranche 1 Notes and 18,046,166 Shares upon conversion of 108,277 Tranche 2 Notes, to Raymond Taylor or his nominees, as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by:

- Raymond Taylor; and
- any associate of Raymond Taylor.

However, the Company need not disregard a vote cast on Resolution 8 if it is cast by:

- a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 9 – Approve the issue of 7,883,333 Shares and 6,250,000 Options upon conversion of Notes to Trevor Kelly or his nominees

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 10.11 and all other purposes, the issue of 6,250,000 Shares and 6,250,000 Options upon conversion of 37,500 Tranche 1 Notes and 1,633,33 Shares upon conversion of 9,800 Tranche 2 Notes, to Trevor Kelly or his nominees, as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by:

- Trevor Kelly; and
- any associate of Trevor Kelly.

However, the Company need not disregard a vote cast on Resolution 9 if it is cast by:

- a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 10 – Approve the issue of 19,166,667 Shares and 4,166,667 Options upon conversion of Notes to Ping Huang or his nominees

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 10.11 and all other purposes, the issue of 4,166,667 Shares and 4,166,667 Options upon conversion of 25,000 Tranche 1 Notes and 15,000,000 Shares upon conversion of 90,000 Tranche 2 Notes, to Ping Huang or his nominees, as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 10 by:

- Ping Huang; and
- any associate of Ping Huang.

However, the Company need not disregard a vote cast on Resolution 10 if it is cast by:

- a person as proxy for a person who is entitled to vote, if the vote is cast in accordance with the directions on the proxy form; or
- the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction of the proxy form to vote as the proxy decides.

Resolution 11 – Approve the previous issue of 16,666,667 Shares

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 7.4 and all other purposes, previous issues of 16,666,667 Shares, as referred to in the Explanatory Statement, is approved.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue or received a benefit and any of their associates. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Determination of voting entitlement

For the purpose of determining a person’s entitlement to vote at the Meeting, a person will be recognised as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 p.m. AEDT on Tuesday, 20 October 2015.

3. Votes

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

4. Proxies

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company at 21 Wells Road Mordialloc VIC 3195 or by facsimile on +61 (0) 3 9580 2294 by 11:30 a.m. AEDT on Tuesday 20 October 2015.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can vote undirected proxies on Resolution 1, even though the Resolution 1 is connected with the remuneration of the key management personnel, only if the proxy form expressly authorizes the Chairman to vote undirected proxies on Resolution 1.

A form of proxy accompanies this Notice of Meeting.

5. Questions and Comments by Shareholders at the Meeting

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, PKF Lawler. These questions should be relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;

- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to PKF Lawler if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2015. Relevant written questions for the auditor must be received by the Company no later than 11:30 a.m. AEDT on 15 October 2015. A representative of PKF Lawler will provide answers to relevant questions at the Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

Resolution 1: Adoption of remuneration report

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2015. The Remuneration Report sets out details of the remuneration received by the Directors and key Company executives.

Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this Resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act require a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2016 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a 'first strike'.

The Remuneration Report is set out in the Company's 2015 Annual Report. The Company's 2015 Annual Report can be viewed online at www.australiannaturalproteinslimited.com.au.

In accordance with section 250SA of the Corporations Act, Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Resolution 2 – Election of Mr. Paul Duckett as a Director

Resolution 2 seeks the election of the Company's Chairman, Mr. Paul Duckett, who was appointed by the Directors and retires in accordance with clause 13.3 of the Company's Constitution and, being eligible offers himself for election by shareholders as a Director of the Company, with effect from the end of the meeting.

Paul has been involved in his family's farm for over 30 years and has a strong understanding of livestock management and soil and fertilizer nutrition. Formerly he was General Manager of Western Mining's Fertilizer Operation - HiFert.

Paul acted as a director the Company from 28 September 2012 until 7 July 2014. He was then re-appointed a director of the Company on 3 February 2015.

Resolution 3 – Election of Mr. Raymond Taylor as a Director

Resolution 3 seeks the election of Mr. Raymond Taylor, who was appointed by the Directors and retires in accordance with clause 13.3 of the Company's Constitution and, being eligible offers himself for election by shareholders as a Director of the Company, with effect from the end of the meeting.

Ray is a Director of Soil Management Systems Pty Ltd and has over 35 years of extensive experience in resources financing, corporate planning and management. He was formerly Finance Director of Golden Shamrock Mines Limited and Managing Director of Ausdrill Limited.

Ray acted as a director the Company from 26 April 2012 to 7 July 2014. He was then re-appointed a director of the Company on 3 February 2015.

Resolution 4 – Election of Mr. Trevor Kelly as a Director

Resolution 4 seeks the election of Mr. Trevor Kelly, who was appointed by Directors and retires in accordance with clause 13.3 of the Company's Constitution and, being eligible offers himself for election by shareholders as a Director of the Company, with effect from the end of the meeting.

Trevor has in excess of 15 years of contract consulting experience; mostly on a range of compliance and operational aspects with large private and public companies. Some of these include Defence Materiel Organisation, Toyota Motor Corporation Australia, Prosafe Offshore (Singapore), Australia Post and Yarra Trams to name a few. Also, he has assisted in a number of mergers and acquisitions along with the relevant regulatory documentation for company restructuring and listing.

Positions held prior to consulting have been Business Manager SE Asia (infrastructure company), Chief Operations Officer (telecommunications company) as well as National Operations Manager (professional training company).

Trevor acted as a director the Company from 13 June 2014 to 31 October 2014. He was then re-appointed a director of the Company on 3 February 2015.

Resolution 5 – Election of Mr. Ping Huang as a Director

Resolution 5 seeks the election of Mr. Ping Huang, who was appointed by a resolution of the Board of Directors on 3 February 2015, retires in accordance with clause 13.3 of the Company's Constitution and, being eligible offers himself for election by shareholders as a Director of the Company, with effect from the end of the meeting.

Ping is educated both in China and Australia, awarded a Bachelor of Engineering and Post Graduate training qualification from China, and Graduate Certificate of Business (International Business) from Deakin University, Australia.

Ping has over 25 years of business experience in Australia, China and Hong Kong, including a Fortune 500 Company and a Fortune Global 500 Company. He is experienced in IPO, corporate restructuring, due diligence, merger and acquisition. His Asian business expertise and the strength of Greater China background/connection will enable him to turn Greater China potential into our Company's advantage.

Resolution 6 – Approve the issue of 36,125,000 Shares and 5,000,000 Options upon conversion of Notes.

Background

Since the placement of the Company's main operating subsidiary, Agline, into receivership in June 2014, the Company has been predominately funded by the issue of Notes to Directors and their related parties and the issue of Notes to other non-related investors.

In 2015, the Company issued two separate tranches of Notes.

The Company raised \$145,172 from the issue of 145,172 Tranche 1 Notes. Funds from the issue of Tranche 1 Notes were raised in or before March 2015

when the Company's shares were suspended from trading on ASX and the last recorded share price of AYB shares, as traded on ASX, was \$0.004.

Tranche 1 Notes have a face value of \$1 per Note. Each Tranche 1 Note converts into 166.67 Shares and 166.67 Options. The effective Share issue / conversion price of Tranche 1 Notes is \$0.006 per Share. For each share issued upon conversion, the note holder will receive 1 free attaching Option with an exercise price of \$0.007 per Option and an expiry date of 30 June 2017. Tranche 1 Notes that convert into Shares and Options accrue no interest.

In addition to funds raised from the issue of Tranche 1 Notes, the Company raised \$456,827 from the issue of 456,827 Tranche 2 Notes. The raising of funds from the issue of Tranche 2 Notes commenced in March 2015 when the Company's Shares were suspended from trading on ASX and the last recorded price of Shares, as traded on ASX, was \$0.004.

Tranche 2 Notes have a face value of \$1 per Note. Each Tranche 2 Note converts into 166.67 Shares. The effective Share issue / conversion price of Tranche 2 Notes is \$0.006 per Share. No Options will be issued upon conversion of Tranche 2 Notes. Tranche 2 Notes convert into Shares at a conversion / Share issue price of \$0.006 per Share. Tranche 2 Notes that convert into Shares accrue no interest.

A table summarizing the issue of Tranche 1 and 2 Notes and amounts raised from Directors and their related parties (for which conversion of Notes is the subject of Resolutions 7, 8, 9 and 10) and other non-related party investors (for which conversion is the subject of Resolution 6) is set out below:

Notes	Notes Issued to Directors and their related parties (Related Parties)	Notes Issued to non-related parties	Total Notes and \$ Value of Notes issued
Tranche 1 Notes	115,172	30,000	145,172
Tranche 2 Notes	270,077	186,750	456,827
<u>Total</u>	<u>385,249</u>	<u>216,750</u>	<u>601,999</u>

Resolution 6 seeks Share approval for the issue of Shares and Options upon conversion of Tranche 1 Notes held by non-related parties of the Company and the issue of Shares upon Conversion of Tranche 2 Notes held by non-related parties. Approval for the issue of securities is sought for the purposes of ASX Listing Rule 7.1 and all other purposes.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that an ASX – listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of Shareholders.

For the purpose of ASX Listing Rule 7.1, the issue of a convertible security is treated as an issue of the capital of the Company on a fully converted basis.

By obtaining the prior approval of Shareholders to the issue of the Shares and Options upon conversion of Notes, the issue of those Shares and Options will not count within the 15% limit under Listing Rule 7.1.

ASX Listing Rule 7.3

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Statement for that purpose.

The number of securities to be issued

The number of securities to be issued is 5,000,000 Shares and 5,000,000 Options upon conversion of 30,000 Tranche 1 Notes and 31,125,000 Shares upon conversion of 186,750 Tranche 2 Notes.

In total 36,125,000 Shares and 5,000,000 Options will be issued subject to approval of Resolution 6.

The date by which the Company will issue the securities

The Company will issue the securities within 3 months of the date of the Meeting (or such later date if permitted by the ASX).

The issue price of the securities

The Shares issued upon conversion of Tranche 1 and Tranche 2 Notes will be issued at an issue price of \$0.006 per Share.

Options issued upon conversion of Tranche 1 Notes will be issued at a nil issue price.

The name of the allottees of the securities

Shares and Options issued upon conversion of Tranche 1 Notes will be issued to the below allottees or their nominees:

Allottee	Shares	Options
76 Beach Road Pty Ltd	833,333	833,333
Harvey Parker	2,500,000	2,500,000
Maclem Pty Ltd	1,666,667	1,666,667
Total	5,000,000	5,000,000

Shares and Options issued upon conversion of Tranche 2 Notes will be issued to the below allottees or their nominees:

Allottee	Shares
Joanne Aarons	1,666,667
Pointing Family Super A/C>	1,000,000
Harvey Parker	3,333,333
D Christie Super Pty Ltd	833,333
Malcolm Druce	833,333
John Darcy	2,500,000
Drumnadrochit Futures Pty Ltd	1,666,667
Christopher Egan	2,500,000
Patricia Fitzwater	833,333
Anthony Earl Hayes	833,333
Robert Irvine	1,666,667
Necmi Uysal	2,500,000
Nine Lives Investment Trust	3,333,333
Dimitrios Podaridis	3,125,000
Helen Rogerson	833,333
Helen Schichia	333,333
Shareholder Services Pty Ltd	333,333
The High Club Limited	1,000,000
The Poynton Super Fund	1,666,667
Helen Van Driel	333,333

The intended use of funds raised

Funds have already been raised from the issue of Notes. Funds have been / will be used for working capital purposes, to reduce Company debt, maintain the company's position regarding its current agriculture activities, and to fund transaction costs associated with the proposed acquisition of 100% of the shares in GRS Foods Pty Ltd and the Company's proposed unsecured corporate bond offering.

Terms of the Securities

Shares issued upon conversion of Tranche 1 and Tranche 2 Notes 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.

Options issued upon conversion of Tranche 1 Notes will have an exercise price of \$0.007 and an expiry date of 30 June 2017. Terms and conditions of Options are set out in Annexure A.

Voting exclusion statement

A voting exclusion statement is included in the Notice of Meeting.

Dates of allotment

It is intended that the Shares will be issued and allotted progressively and within 3 months of the date of the Meeting.

Resolution 7, 8, 9 & 10 – Approve the issue of 15,333,334 Shares and 5,000,000 Options upon conversion of Notes to Paul Duckett or his nominees (Resolution 7), approve the issue of 21,824,833 Shares and 3,778,667 Options upon conversion of Notes to Raymond Taylor or his nominees (Resolution 8), approve the issue of 7,883,333 Shares and 6,250,000 Options upon conversion of Notes to Trevor Kelly or his nominees or his nominees (Resolution 9) & approve the issue of 19,166,667 Shares and 4,166,667 Options upon conversion of Notes to Ping Huang or his nominees (Resolution 10).

Background

In October 2015, the Company's shares were suspended from trading on ASX for failure to lodge its annual report and it remained in suspension until February 2015 as the previous directors failed or neglected to attend to the addressing of ASX concerns raised in correspondence with the Company, following the subsequent lodgement of its annual report in October 2015.

Upon removal of the previous directors and their replacement by the current Board in February 2015, the directors diligently attended to raising funds to enable the Company's shares to resume trading on ASX and to improve the Company's financial position. As an integral part of the recapitalise of AYB, the directors initiated the immediate raising of capital and lead the way by providing funds from their own resources.

The timely response by the directors to the company's requirements allowed it to relist on the ASX as efficiently and as quickly as was possible to investigate further ways to enhance the Company.

The Directors of the Company, Paul Duckett, Raymond Taylor, Trevor Kelly and Ping Huang and their related parties provided the Company with funding to allow the Company to continue to operate as a going concern. At the time the Directors provided the funds to the Company, the Company was unable to source sufficient alternative funding to carry out its immediate operational objectives.

As security for the funds provided to the Company by the Directors, the Company issued Tranche 1 and Tranche 2 Notes. The terms of the Tranche 1 and Tranche 2 Notes have been set out previously in this Notice. Subject to shareholder approval, the Tranche 1 Notes will convert into Shares and Options and the Tranche 2 Notes will convert into Shares.

The Notes were issued to Directors on arms length terms and on the same terms offered to other non-related investors.

Tranche 1 Notes

The number of Tranche 1 Notes subscribed for by each Director and their related parties and the number of Shares and Options to be issued upon Conversion of Tranche 1 Notes is set out in the below table.

Director	# of Tranche 1 Notes	Funds (\$)	Shares to be issued upon conversion	Options to be issued upon conversion
Paul Duckett	30,000	30,000	5,000,000	5,000,000
Ray Taylor	22,672	22,672	3,778,667	3,778,667
Trevor Kelly	37,500	37,500	6,250,000	6,250,000
Ping Huang	25,000	25,000	4,166,667	4,166,667
Total	<u>115,172</u>	<u>115,172</u>	<u>19,195,333</u>	<u>19,195,333</u>

Tranche 2 Notes

The number of Tranche 2 Notes subscribed for by each Director and their related parties and the number of Shares to be issued upon Conversion of Tranche 2 Notes is set out in the below table.

Director	# of Tranche 2 Notes	Funds (\$)	Shares to be issued upon conversion
Paul Duckett	62,000	62,000	10,333,334
Ray Taylor	108,277	108,277	18,046,166
Trevor Kelly	9,800	9,800	1,633,333
Ping Huang	90,000	90,000	15,000,000
Total	<u>270,077</u>	<u>270,077</u>	<u>45,012,833</u>

Total Notes (Tranche 1 Notes & Tranche 2 Notes)

The total number of Tranche 1 and Tranche 2 notes (combined) subscribed for by each Director and their related parties and the number of Shares and Options to be issued upon Conversion of Tranche 1 and Tranche 2 Notes is set out in the below table.

Resolution	Director	# of Notes	Funds (\$)	Shares to be issued upon conversion	Options to be issued upon conversion
7	Paul Duckett	92,000	92,000	15,333,334	5,000,000
8	Ray Taylor	130,949	130,949	21,824,833	3,778,667
9	Trevor Kelly	47,300	47,300	7,883,333	6,250,000
10	Ping Huang	115,000	115,000	19,166,667	4,166,667
Total		<u>385,249</u>	<u>385,249</u>	<u>64,208,167</u>	<u>19,195,333</u>

Corporations Act 2001 (Cth)

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the section apply or Shareholders have in a general meeting approved the giving of that financial benefit to the related party. Section 210 of the Corporations Act provides that one of the exceptions to the requirement to obtain shareholder approval for giving a financial benefit to a related party is where the benefit is given arm's length terms, that is on terms that:

- (a) would be reasonable in the circumstances if the public company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a).

The Company considers that the proposed issue of securities the subject of Resolutions 7, 8, 9 and 10 are on arm's length terms or terms less favorable to the related part than arms length and, as such, fall within the exception set out in section 210 of the Corporations Act.

The Company has reached this view based on the following:

- The Directors commenced funding the Company in February 2015 when the Company was suspended from trading on ASX, at this time the Company was unable to gain sufficient funding from other sources as the Company had no funds, current liabilities of over \$450,000 and was in need of immediate funds in order to remain a going concern and meet short-term payment demands of creditors.
- The Notes were offered to unrelated parties of the Company on the same terms and conditions at the time the Directors purchased the notes, however, the Company was only able to gain limited funding support from non-related parties.

- Without funding from the Directors and their related parties, the Company would have been unable to continue to trade and would have been placed into voluntary administration by the Directors.
- At the time, there were no other funding alternatives on terms more favorable to the Company.
- The issue price of \$0.006 of Shares issued upon Conversion of Notes represents a 33.33% premium to the last recorded issue price of Shares as traded on ASX prior to the Company being suspended (\$0.004) at the time the Notes were offered to both Directors and non-related parties.

Directors Shareholdings

The below table sets out the current shareholdings of Directors and their maximum shareholdings following conversion of Tranche 1 and Tranche 2 Notes.

Director	Current holding (direct & indirect holdings)	Maximum number of Shares to be issued upon conversion of Notes	Maximum holding (direct & indirect holdings) post conversion of Notes	Estimated maximum % holding following allotment
Paul Duckett	12,787,894	15,333,334	28,121,228	10.46%
Ray Taylor	9,994,038	21,824,833	31,818,871	11.84%
Trevor Kelly	238,719	7,883,333	8,122,052	3.02%
Ping Huang	Nil	19,166,667	19,166,667	7.13%

*Shares issued upon conversion of Tranche 1 and Tranche 2 Notes may be issued to nominees or related parties of Directors. Directors may not hold any interest in Shares issued to nominees or related parties of Directors.

No Director will hold a relevant interest of over 19.99% of Shares following conversion of Notes to Shares.

ASX Listing Rule 10.11 & 10.13

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities (including options) to a related party without the approval of holders of ordinary securities.

Messrs Duckett, Taylor, Kelly and Huang are all related parties of the Company by virtue of their positions as Directors of the Company.

In accordance with ASX listing rule 7.2 (Exception 14) if approval is given under listing rule 10.11, approval is not required under listing rule 7.1. Accordingly, the issue of Shares in respect to Resolutions 7, 8, 9 and 10 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The following information is provided in accordance with ASX Listing Rule 10.13.

The names of the allottees

Shares and Options will be issued to:

Resolution	Shares	Options	Allottee
Resolution 7	15,333,334	5,000,000	Paul Duckett and/or his nominees.
Resolution 8	21,824,833	3,778,667	Raymond Taylor and/or his nominees
Resolution 9	7,883,333	6,250,000	Trevor Kelly and/or his nominees
Resolution 10	19,166,667	4,166,667	Ping Huang and/or his nominees

Shares and/or Options may be issued to nominees of Directors. Directors may not hold any relevant interest in Shares and/or Options issued to nominees of Directors.

The maximum number of securities to be issued

Resolution	Shares	Options
Resolution 7	15,333,334	5,000,000
Resolution 8	21,824,833	3,778,667
Resolution 9	7,883,333	6,250,000
Resolution 10	19,166,667	4,166,667

The date by which the Company will issue the securities

The Company will issue the Shares and Options within one month from the date of the Meeting (or such later date if permitted by the ASX).

The issue price of the securities

The Shares issued upon conversion of Tranche 1 and Tranche 2 Notes will be issued at an issue price of \$0.006 per Share.

Options issued upon conversion of Tranche 1 Notes will be issued at a nil issue price, on the basis on 1 free attaching Option for each Share issued.

The intended use of funds raised

Funds have been / will be will be used for working capital purposes, to reduce Company debt, maintain the company's position regarding its current agriculture activities, and to fund transaction costs associated with the proposed acquisition of 100% of the shares in GRS Foods Pty Ltd and the Company's proposed unsecured corporate bond offering.

Terms of the Securities

Shares issued upon conversion of Tranche 1 and Tranche 2 Notes 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.

Options issued upon conversion of Tranche 1 Notes will have an exercise price of \$0.007 and an expiry date of 30 June 2017. Terms and conditions of Options are set out in Annexure A.

Voting exclusion statement

A voting exclusion statement is included in the Notice of Meeting.

Resolution 11 – Approve the previous issue of 16,666,667 Shares

Background

In accordance with an ASX announcement made on 10 July 2015, the Company has completed a private placement of Shares, issuing 16,666,667 Shares at \$0.006 per Share raising \$100,000. The 16,666,667 Shares will be held in escrow for a period of 12 months from the date of issue.

The Share issue price of the private placement was the same as the Share issue / conversion price offered to investors participating in the Tranche 2 Note raising.

The 16,666,667 Shares were issued without prior shareholder approval under the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rules 7.1, 7.4 & 7.5

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

ASX Listing Rule 7.4 provides that an issue of shares made without approval under Listing Rule 7.1 is treated as been made with approval if each of the following applies:

- the issue did not breach Listing Rule 7.1 or 7.1A, and
- the shareholders of ordinary securities subsequently approve the issue.

The issue of 16,666,667 Shares did not breach ASX Listing Rule 7.1 and the Company seeks subsequent Shareholder approval for these issues of Shares for the purposes of ASX Listing Rule 7.4 and all other purposes.

The following information is provided to Shareholders in accordance with ASX Listing Rule 7.5:

The number of securities issued

The number of securities issued was 16,666,667 Shares.

The price at which the securities were issued

Shares were issued at an issue price of \$0.006 per Share.

The terms of the securities

The 16,666,667 Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions of the Company's existing ordinary shares. However, the 16,666,667 Shares will be held in escrow until 14 September 2016.

The names of persons to whom the entity issued the securities

The 16,666,667 Shares were issued to the persons set out in the below table:

Name	Shares
Christopher Egan	1,666,667
Dimitrios Podaridis	1,666,667
Nine Lives Investment Trust	833,333
Waranya Sunthrahom	4,666,667
MacLem Pty Ltd <Maclem S/F A/C>	333,333
Lauren Aarons	833,333
Natillie Aarons	833,333
Helen Van Driel	3,333,333
Elehen Family Trust	833,333
Rick Stefanutti	1,666,667
Total	16,666,667

The use of the funds raised

Funds have been / will be used for working capital purposes, to reduce Company debt, maintain the company's position regarding its current agriculture activities, and to fund transaction costs associated with the proposed acquisition of

100% of the shares in GRS Foods Pty Ltd and the Company's proposed unsecured corporate bond offering.

Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting.

GLOSSARY

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

AEDT means Australian Eastern Daylight Savings Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the listing rules of ASX.

AYB or Company means Australian Natural Proteins Limited (ACN 095 821 971).

Board means the board of directors of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Director means a current director of the Company.

Explanatory Statement means the explanatory statement to this Notice of Meeting.

Meeting means the 2015 Annual General Meeting of the Shareholders of the Company to be held on 22 October 2015, to which the Notice of Meeting and Explanatory Statement relate.

Note means a note issued by the Company convertible into Company securities.

Notice of Meeting means this notice of meeting of the Company dated 21 September 2015.

Resolution means a resolution referred to in the Notice.

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

Shareholder means a holder of Shares.

Tranche 1 Note means a Note with a face value of \$1 and convertible into 166.67 Shares and 166.67 Options.

Tranche 2 Note means a Note with a face value of \$1 and convertible into 166.67 Shares.

Words importing the singular include the plural and vice versa.

All references to currency are in Australian dollars.

Annexure A

Terms and Conditions of Options Expiring on 30 June 2017

- (a) Each Option entitles its holder to subscribe in cash for one fully paid ordinary share in the Company (**Share**).
- (b) Each Option is exercisable at an exercise price of \$0.007 at any time prior to 5pm (AEST) on 30 June 2017 (**Expiry Date**) by completing an option exercise form and delivering it, together with payment for the number of Shares in respect of which the Option is exercised, to the registered office of the Company. Any Option that has not been exercised prior to the Expiry Date automatically lapses.
- (c) An Option automatically lapses without any claim against the Company on the occurrence of any of the following events:
 - a. upon the bankruptcy, liquidation or winding up of an Optionholder or the happening of any other event that results in the Optionholder being deprived of the legal or beneficial ownership of the Option; or
 - b. upon the liquidation or winding up of the Company for any reason other than by way of members' voluntary winding up.
- (d) The Company will not apply for official quotation by ASX of the Options.
- (e) Subject to the Corporations Act, the ASX Listing Rules, and the constitution of the Company, each Option is freely transferable.
- (f) Shares issued upon the exercise of the Options will rank pari passu with the Company's existing Shares.
- (g) The Company will apply for official quotation by ASX of the Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX.
- (h) The Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Options.
- (i) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the life of the Options. The Company will ensure that holders will be given at least seven business days notice to allow for the exercise of Options prior to the record date in relation to any offers of securities made to shareholders.
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the rights attaching to the Options or both will be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (k) If there is any inconsistency between any of the preceding terms and conditions and the ASX Listing Rules, then the ASX Listing Rules prevail to the extent of the inconsistency.

PROXY FORM FOR GENERAL MEETING

I/We _____

of _____

am/are a member of Australian Natural Proteins Limited ACN 095 821 971 and I/we appoint as my/our proxy:

of _____

Or failing him or her, the Chairman of the 2015 Annual General Meeting of the Company, to be held at the Hotel Charsfield, 478 St Kilda Road, Melbourne VIC 3004 on Thursday, 22 October 2015 at 11:30 a.m. AEDT to vote for me/us at the Meeting and at any adjournment of it. If 2 proxies are being appointed the proportion of voting rights this proxy is authorised to exercise is%. (The Company will supply an additional form on request).

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr. Paul Duckett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr. Raymond Taylor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr. Trevor Kelly as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Mr. Ping Huang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approve the issue of 36,125,000 Shares and 5,000,000 Options upon conversion of Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approve the issue of 15,333,334 Shares and 5,000,000 Options upon conversion of Notes to Paul Duckett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approve the issue of 21,824,833 Shares and 3,778,667 Options upon conversion of Notes to Raymond Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approve the issue of 7,883,333 Shares and 6,250,000 Options upon conversion of Notes to Trevor Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approve the issue of 19,166,667 Shares and 4,166,667 Options upon conversion of Notes to Ping Huang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approve the previous issue of 16,666,667 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman intends to vote all undirected proxies in favour of each Resolution. If you do not wish to direct your proxy on how to vote, please tick this box: ☐

By ticking this box, I/we expressly authorize the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 1 to 11 (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy on Resolutions 1 to 11, even though Resolution 1 is connected with the remuneration of members of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of the Resolutions and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Signature of Member(s): Date:

Member 2

Member 3

Individual or Member 1

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: Contact Ph (daytime):

Australian Natural Proteins Limited
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Mordialloc VIC 3195
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Fax: +613 9580 2294
www.australiannaturalproteins.com.au
ASX Code: AYB

PROXY FORM FOR GENERAL MEETING

PROXY INSTRUCTIONS: A member entitled to attend and vote at a meeting is entitled to appoint not more than 2 proxies. Where more than 1 proxy is appointed, each proxy may be appointed to represent a specific portion of the member's voting rights. A proxy need not be a member of the Company. A proxy form must be signed by the member or his or her attorney. Proxies given by corporations must either be signed under seal or under the hand of a duly authorised officer of attorney. To be valid, the form appointing the proxy and the Power of Attorney or other authority (if any) under which it is signed (or a certified copy) must be lodged with:

Australian Natural Proteins Limited
Attention: The Company Secretary
21 Wells Road, Mordialloc VIC 3195
Fax: +613 9580 2294

Not later than 11:30 a.m. AEDT on Tuesday October 20, 2015.