
HODGES RESOURCES LIMITED

ACN 115 819 479

NOTICE OF GENERAL MEETING

TIME: 9:30am (WST)

DATE: 29 September 2014

PLACE: Boardroom
Level 2
38 Richardson Street
WEST PERTH WA 6005

This Notice of General Meeting and Explanatory Memorandum 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 General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6412.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders convened by this Notice of Meeting will be held at 9:30am (WST) on 29 September 2014 at:

Boardroom
Level 2
38 Richardson Street
WEST PERTH WA 6005

YOUR VOTE IS IMPORTANT

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

ATTENDANCE AND VOTING ELIGIBILITY

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 9.30am WST on 27 September 2014 will be taken, for the purposes of this General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed (and the power of attorney or other authority (if any) under which it is signed (or a certified copy)) and either:

- (a) deliver the Proxy Form to the Company's registered office at Level 2, 38 Richardson Street, West Perth, Western Australia 6005;
- (b) send the Proxy Form by post to Hodges Resources Limited, Level 2, 38 Richardson Street, West Perth, Western Australia 6005 or PO Box 396 West Perth WA 6872; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9322 6398,
- (d) send the Proxy Form by email to the Company Secretary at mrobbins@hodgesresources.com.au

so that it is received not later than 9:30am (WST) on 27 September 2014.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held in the **Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia at 9:30am WST on Monday 29 September 2014.**

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES TO A SOPHISTICATED AND PROFESSIONAL INVESTOR

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 801,282 ordinary fully paid shares to a sophisticated and professional investor at an issue price of \$0.0312 per share on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by the sophisticated investors described in the Explanatory Statement having regard to the resolution and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 ordinary fully paid shares to sophisticated and professional investors at an issue price of \$0.015 per share on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by the sophisticated investors described in the Explanatory Statement having regard to the resolution and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO GURNEY CAPITAL NOMINEES PTY LTD

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,586,996 ordinary fully paid shares to Gurney Capital Nominees Pty Ltd at an

average issue price of \$0.0174 per share on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by the sophisticated investors described in the Explanatory Statement having regard to the resolution and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,328,079 ordinary fully paid shares to consultants and suppliers at an average settlement issue price of \$0.017 per share on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person referred to in the Explanatory Statement having regard to the resolution and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES IN LIEU OF INTEREST DUE ON CONVERTIBLE SECURITIES

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,072,114 ordinary fully paid shares to convertible note holders, at an average settlement issue price of \$0.036 per share on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person referred to in the Explanatory Statement having regard to the resolution and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO A DIRECTOR IN LIEU OF PAYMENT OF DIRECTORS' FEES – MR B DIXON

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 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to the equivalent of \$19,800 in ordinary fully paid shares, in lieu of Directors' Fees for the period 1 January 2014 to 30 June 2014 to Mr Bryan Dixon, a Non-Executive Director of the Company or his nominee(s) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr Dixon and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – APPROVAL OF ISSUE OF SHARES TO DIRECTOR IN LIEU OF PAYMENT OF DIRECTORS' FEES – MR N MCMAHON

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 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to the equivalent of \$19,800 in ordinary fully paid shares, in lieu of Directors' Fees for the period 1 January 2014 to 30 June 2014 to Mr Nathan McMahon, a Non-Executive Director of the Company or his nominee(s) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr McMahon and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVAL OF ISSUE OF SHARES TO DIRECTOR IN LIEU OF PART PAYMENT OF SALARY – MR M MAJOR

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 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to the equivalent of \$21,000 in ordinary fully paid shares, in lieu of part of the Managing Director's salary for the period 1 January 2014 to 30 June 2014 to Mr Mark Major, or his nominee(s) on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by Mr Major and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – APPROVAL OF THE ISSUE OF SHARES TO A DIRECTOR FOR REPAYMENT OF LOAN – MR N MCMAHON

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

"That for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11, and for all other purposes, the Company is authorised to issue and allot up to 4,114,286 ordinary fully paid shares to Mr Nathan McMahon, who is a Non-Executive Director, and/or his nominee(s), as full and final settlement of short term interest free loans provided to the Company, on the terms and conditions and in the manner set out in the Explanatory Memorandum"

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution by Mr McMahon and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. RESOLUTION 10 – APPROVAL OF THE ISSUE OF SHARES TO A DIRECTOR FOR REPAYMENT OF LOAN – MR M MAJOR

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

“That for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11, and for all other purposes, the Company is authorised to issue and allot up to an equivalent of \$25,000 in ordinary fully paid shares to Mr Mark Major, the Managing Director, and/or his nominee(s), as full and final settlement of a short term interest free loan provided to the Company, on the terms and conditions and in the manner set out in the Explanatory Memorandum”

Voting Exclusion Statement:

The Company will disregard any votes cast on the Resolution by Mr Major and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

11. RESOLUTION 11 – REMOVAL OF AUDITOR

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

“That Nexia Perth Audit Services Pty Ltd, the current auditor of the Company, be removed as the auditor of the Company, effective from the close of the Meeting.”

12. RESOLUTION 12 – APPOINTMENT OF AUDITOR

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

“That, subject to the passing of Resolution 10, Bentleys Audit and Corporate (WA) Pty Ltd, being qualified to act as auditor of the Company and having consented to act, be appointed as the auditor of the Company effective from the close of the Meeting and the Directors be authorised to agree to the remuneration.”

OTHER BUSINESS

To deal with any business that may be lawfully brought forward.

PROXIES

A Shareholder entitled to attend and vote at the Meeting of the Company has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Level 2, 38 Richardson Street, West Perth WA 6005, by mail to PO Box 396 West Perth WA 6872, by facsimile to (61 8) 9322 6398 or by email to mrobbins@hodgesresources.com.au not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act;
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on Proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to, the Company before the commencement of the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

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

DATED: 27 AUGUST 2014

BY ORDER OF THE BOARD

**MIKE ROBBINS
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Hodges in connection with the business specified to be conducted in the Notice of General Meeting at the general meeting of Shareholders to be held at the Boardroom, Level 2, 38 Richardson Street, West Perth, Western Australia 6005 at 9:30am WST on 29 September 2014.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions. The Directors recommend that Shareholders read in full this Explanatory Memorandum in conjunction with the accompanying Notice of General Meeting of which this Explanatory Memorandum forms a part.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES TO A SOPHISTICATED AND PROFESSIONAL INVESTOR

Background

Resolution 1 seeks the approval from the Shareholders for the issue of 801,282 Shares to a sophisticated and professional investor under a private placement.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

801,282 Shares

If shareholders approve Resolution 1, the issue of 801,282 shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

\$0.0312 per Share

(c) Terms of the securities

Shares were issued fully paid and rank parri passu in all respects with the Company's other Shares on issue.

(d) Allottees

The Alyse Investment Trust. The allottee is not a related party of the Company.

(e) Intended use of funds raised.

The funds have been used for exploration and development of the Company's projects and to provide working capital.

Directors' Recommendation

The Board recommends Shareholder approval under resolution 1 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

Background

Resolution 2 seeks the approval from the Shareholders for the issue of 2,000,000 Shares to sophisticated and professional investors under a private placement.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

2,000,000 Shares

If shareholders approve Resolution 2, the issue of 2,000,000 shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

\$0.015 per Share

(c) Terms of the securities

Shares were issued fully paid and rank parri passu in all respects with the Company's other Shares on issue.

(d) Allottees

Sophisticated and professional investors determined at the discretion of the Directors. The allottees are not related parties of the Company.

(e) Intended use of funds raised.

The funds have been used for exploration and development of the Company's projects and to provide working capital.

Directors' Recommendation

The Board recommends Shareholder approval under resolution 2 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO GURNEY CAPITAL NOMINEES PTY LTD

Background

Resolution 3 seeks the approval from the Shareholders for the issue of 2,586,996 Shares to Gurney Capital Nominees Pty Ltd under a Standby Subscription Agreement entered into by the Company and announced to the ASX on 30 September 2013.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

2,586,996 Shares

If shareholders approve Resolution 3, the issue of 2,586,996 shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

801,282 Shares at \$0.0312 per Share
1,785,714 Shares at \$0.0112 per Share

(c) Terms of the securities

Shares were issued fully paid and rank parri passu in all respects with the Company's other Shares on issue.

(d) Allottees

Gurney Capital Nominees Pty Ltd. The allottee is not a related party of the Company.

(e) Intended use of funds raised.

The funds have been used for exploration and development of the Company's projects and to provide working capital.

Directors' Recommendation

The Board recommends Shareholder approval under resolution 3 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO CONSULTANTS AND SUPPLIERS

Background

The Company has engaged consultants to assist with raising the profile of the Company and to the raising of funds for the Company. They also have contractual arrangements in place with suppliers for office rent and other services as well as for contract work for the Morupule South Project.

Resolution 4 seeks the approval from the Shareholders for the issue of 4,328,079 Shares to consultants and suppliers in lieu of payment for outstanding consultancy fees and office rent and other services.

The shares were issued to the relevant consultants and suppliers on the following dates:

- On 13 November 2013, 847,515 Shares were issued to a consultant;
- On 29 January 2014, 256,209 Shares were issued to a supplier; and
- On 7 March 2014, 3,224,355 Shares were issued to a supplier.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

4,328,079 Shares

If shareholders approve Resolution 4, the issue of 4,328,079 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

Nil consideration

(c) Terms of the securities

Shares were issued fully paid and rank parri passu in all respects with the Company's other Shares on issue.

(d) Allottees

On 13 November 2013, Block Capital Group was issued with 847,515 ordinary Shares.

On 29 January 2014, Exploration Geophysics Pty Ltd was issued with 256,209 ordinary Shares.

On 7 March 2014, Cazaly Resources Ltd was issued with 3,224,355 ordinary Shares.

(e) Intended use of funds raised.

No funds were raised by the issue.

Directors' Recommendation

The Board recommends Shareholder approval under resolution 4 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES IN LIEU OF INTEREST DUE ON CONVERTIBLE SECURITIES

Background

Resolution 5 seeks the approval from the Shareholders for the issue of 1,072,114 Shares to Convertible Note Holders in lieu of payment for accrued interest due on the Convertible Securities. The original terms and conditions of the Convertible Securities were set out in the Company's announcement to the ASX on 19 December 2012.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's

ordinary securities may be obtained after the issue of equity securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

The following information is provided for the purpose of ASX Listing Rule 7.4.

(a) Number of securities issued or to be issued

1,072,114 shares

If shareholders approve Resolution 5, the issue of 1,072,114 Shares will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

(b) Issue price of securities

Nil consideration

(c) Terms of the securities

Shares were issued fully paid and rank parri passu in all respects with the Company's other Shares on issue.

(d) Allottees

On 8 November 2013, Convertible Note Holders were issued with 452,137 ordinary shares.
On 11 November 2013, Convertible Note Holders were issued with 85,626 ordinary shares.
On 13 November 2013, Convertible Note Holders were issued with 85,626 ordinary shares.
On 13 January 2014, Convertible Note Holders were issued with 448,725 ordinary shares.

(e) Intended use of funds raised.

No funds were raised by the issue.

Directors' Recommendation

The Board recommends Shareholder approval under resolution 5 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without Shareholder approval.

6. RESOLUTIONS 6 AND 7 – APPROVAL OF ISSUE OF SHARES TO DIRECTORS IN LIEU OF PAYMENT OF DIRECTORS' FEES – MR B DIXON AND MR N MCMAHON

Background

Resolutions 6 and 7 seek the approval from the Shareholders for the allotment and issue of a total of \$39,600 worth of fully paid shares in the Company to two Non-Executive Directors, Mr Bryan Dixon and Mr Nathan McMahon, in lieu of payment of directors' fees for the March and June 2014 quarters.

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.

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

exception in ASX Listing Rule 10.12 applies. Listing Rule 10.13.3 requires the shares to be issued within one month after the date of approval by shareholders in general meeting.

The issue of the Shares to the Related Parties requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit and Mr Dixon and Mr McMahon are related parties of the Company. It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances.

Chapter 2E of the Corporations Act and Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Shares:

- (a) the Related Parties are Mr Bryan Dixon and Mr Nathan McMahon and they are related parties by virtue of being Directors;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be issued under this approval to the Related Parties is:
 - (i) \$19,800 worth of fully paid ordinary shares to Mr Dixon;
 - (ii) \$19,800 worth of fully paid ordinary shares to Mr McMahon;

The fully paid shares would be issued at the volume weighted average price ("VWAP") of the shares in the five (5) ASX trading days prior to issue.

- (c) the Shares will be issued to the Related Parties no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares are being issued to the Directors in lieu of their directors fees. As such the Shares will be granted for nil cash consideration, and no funds will be raised;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing shares;
- (f) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Unquoted Options
Nathan McMahon	13,192,807	-
Bryan Dixon	761,111	-

- (g) the remuneration (ex GST) from the Company to the Related Parties for both the last financial year and the previous financial year are set out below:

Name	Year Ended 30 June 2013	Year Ended 30 June 2014
Nathan McMahon	\$36,000	\$36,000
Bryan Dixon	\$36,000	\$36,000

- (h) the trading history of the Shares on the ASX in the 3 months before the preparation of this Notice of General Meeting are set out below:

Highest: \$0.016 on 30 July 2014.
 Lowest: \$0.010 on 1 July 2014.
 Last: \$0.016 on 30 July 2014.

- (i) As at 27 August, the date of preparation of this Notice of Meeting and Explanatory Memorandum, the Company's issued share capital stands at 128,644,045 Shares. If approval is given by Shareholders for the issue of shares to be granted in accordance with Resolutions 6 and 7 then the following would apply.

Assuming VWAP share prices in (h) above

At 1.60 cents

- the Company's issued shares would increase by 2,475,000
- existing shareholders' holdings would be diluted by 1.92%

At 1.00 cent

- the Company's issued shares would increase by 3,960,000
- existing shareholders' holdings would be diluted by 3.08%

- (j) the main purpose of the issue of the Shares to the Related Parties is to provide cost effective consideration to the Related Parties for their contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

Directors' Recommendation

Mr Dixon declines to make a recommendation to Shareholders in relation to Resolution 6 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board, excluding Mr Dixon, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Mr McMahon declines to make a recommendation to Shareholders in relation to Resolution 7 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board, excluding Mr McMahon, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

7. RESOLUTION 8 – APPROVAL OF ISSUE OF SHARES TO DIRECTOR IN LIEU OF PART PAYMENT OF SALARY – MR M MAJOR

Background

Resolution 8 seeks the approval from the Shareholders for the allotment and issue of a total of \$21,000 worth of fully paid shares in the Company to the Managing Director, Mr Mark Major, in lieu of the part payment of his salary for the period 1 January 2014 to 30 June 2014.

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.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. Listing Rule 10.13.3 requires the shares to be issued within one month after the date of approval by shareholders in general meeting.

The issue of the Shares to the Related Party requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit and Mr Major is a related party of the Company. It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances.

Chapter 2E of the Corporations Act and Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Shares:

- (a) the Related Party is Mr Mark Major and he is a related party by virtue of him being Director;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be issued under this approval to the Related Party is \$21,000 worth of fully paid ordinary shares to Mr Major;

The fully paid shares would be issued at the volume weighted average price ("VWAP") of the shares in the five (5) ASX trading days prior to issue.

- (c) the Shares will be issued to the Related Party no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares are being issued to the Director in lieu of part of his salary as Managing Director. As such the Shares will be granted for nil cash consideration, and no funds will be raised;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company and on the same terms as the Company's existing shares;
- (f) the relevant interests of the Related Party in securities of the Company are set out below:

Related Party	Shares	Unquoted Options
Mark Major	2,816,667	750,000 exercisable at \$0.65 on or before 15/11/15 750,000 exercisable at \$0.85 on or before 15/11/18

- (g) the remuneration from the Company to the Related Party for both the last financial year and the previous financial year are set out below:

Name	Year Ended 30 June 2013	Year Ended 30 June 2014
Mark Major	\$271,723	\$150,764

- (h) the trading history of the Shares on the ASX in the 3 months before the preparation of this Notice of General Meeting are set out below:

Highest: \$0.016 on 30 July 2014.
Lowest: \$0.010 on 1 July 2014.
Last: \$0.016 on 30 July 2014.

- (i) As at 27 August, the date of preparation of this Notice of Meeting and Explanatory Memorandum, the Company's issued share capital stands at 128,644,045 Shares. If approval is given by Shareholders for the issue of shares to be granted in accordance with Resolution 8 then the following would apply.

Assuming VWAP share prices in (h) above

At 1.60 cents

- the Company's issued shares would increase by 1,312,500
- existing shareholders' holdings would be diluted by 1.02%

At 1.00 cent

- the Company's issued shares would increase by 2,100,000
 - existing shareholders' holdings would be diluted by 1.63%
- (j) the main purpose of the issue of the Shares to the Related Party is to provide cost effective consideration to the Related Party for their role as Managing Director. The issue of the Shares is a monthly retainer paid to the Managing Director in lieu of part of his salary. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

Directors' Recommendation

Mr Major declines to make a recommendation to Shareholders in relation to Resolution 8 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8. The Board, excluding Mr Major, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

8. RESOLUTION 9 – APPROVAL OF THE ISSUE OF SHARES TO A DIRECTOR FOR REPAYMENT OF LOAN – MR N MCMAHON

Background

Resolution 9 seeks the approval from the Shareholders for the allotment and issue of 4,114,286 fully paid ordinary Shares to a Non-Executive Director, Mr Nathan McMahon, as full repayment of a short term interest free loan provided to the Company. The interest free loan of \$120,000 was paid to the Company in two instalments in December 2013 (\$60,000) and February 2014 (\$60,000).

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.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. Listing Rule 10.13.3 requires the shares to be issued within one month after the date of approval by shareholders in general meeting.

The issue of the Shares to the Related Party requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit as Mr McMahon is a related party of the Company. It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances.

Chapter 2E of the Corporations Act and Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Shares:

- (a) the Related Party is Mr Nathan McMahon who is a related party by virtue of being a Director;
- (b) the maximum number of Shares to be issued to the Related Party is 4,114,286 fully paid ordinary Shares;
- (c) the Shares will be issued to the Related Party no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares will be issued for nil cash consideration but will be issued as full and final settlement of a short term interest free loan provided by the Related Party to the Company. The loan of \$120,000 will be settled with the issue of 4,114,286 Shares at an average issue price of \$0.0292 per Share;
- (e) the Shares will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the relevant interest of the Related Party in securities of the Company is set out below:

Related Party	Shares	Unquoted Options
Nathan McMahon	13,192,807	-

- (g) the remuneration (ex GST) from the Company to the Related Party for both the last financial year and the previous financial year is set out below:

Name	Year Ended 30 June 2013	Year Ended 30 June 2014
Nathan McMahon	\$36,000	\$36,000

- (h) the trading history of the Shares on the ASX in the 3 months before the preparation of this Notice of General Meeting are set out below:

Highest: \$0.016 on 30 July 2014.
Lowest: \$0.010 on 1 July 2014.
Last: \$0.016 on 30 July 2014.

- (i) As at 27 August, the date of preparation of this Notice of Meeting and Explanatory Memorandum, the Company's issued share capital stands at 128,644,045 Shares. If approval is given by Shareholders for the issue of shares to be granted in accordance with Resolution 9 then the following would apply.
 - The Company's issued shares would increase by 4,114,286
 - Existing shareholders' holdings would be diluted by 3.20%
- (j) the main purpose of the issue of the Shares to the Related Party is to provide cost effective consideration to the Related Party for the repayment of the short term interest free loan contribution to the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

Directors' Recommendation

Mr McMahon declines to make a recommendation to Shareholders in relation to Resolution 9 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9. The Board, excluding Mr McMahon, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

9. RESOLUTION 10 – APPROVAL OF THE ISSUE OF SHARES TO A DIRECTOR FOR REPAYMENT OF LOAN – MR M MAJOR

Background

Resolution 10 seeks the approval from the Shareholders for the allotment and issue of total of \$25,000 worth of fully paid shares in the Company to the Managing Director, Mr Mark Major, as full repayment of a short term interest free loan provided to the Company. The interest free loan was paid to the Company In July 2014.

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.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. Listing Rule 10.13.3 requires the shares to be issued within one month after the date of approval by shareholders in general meeting.

The issue of the Shares to the Related Party requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit as Mr Major is a related party of the Company. It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances.

Chapter 2E of the Corporations Act and Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Shares:

- (a) the Related Party is Mr Mark Major who is a related party by virtue of being a Director;
- (b) the maximum number of Shares to be issued to the Related Party is \$25,000 worth of fully paid ordinary Shares;

The fully paid shares would be issued at the volume weighted average price ("VWAP") of the shares in the five (5) ASX trading days prior to issue.

- (c) the Shares will be issued to the Related Party no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the Shares will be issued for nil cash consideration but will be issued as full and final settlement of a short term interest free loan provided by the Related Party to the Company. The loan will be settled with the issue of \$25,000 worth of fully paid ordinary Shares at an issue price of the volume weighted average price ("VWAP") of the Shares in the five (5) ASX Trading days prior to issue;
- (e) the Shares will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the relevant interest of the Related Party in securities of the Company is set out below:

Related Party	Shares	Unquoted Options
Mark Major	2,816,667	750,000 exercisable at \$0.65 on or before 15/11/15 750,000 exercisable at \$0.85 on or before 15/11/18

- (g) the remuneration (ex GST) from the Company to the Related Party for both the last financial year and the previous financial year is set out below:

Name	Year Ended 30 June 2013	Year Ended 30 June 2014
Mark Major	\$271,723	\$150,764

- (h) the trading history of the Shares on the ASX in the 3 months before the preparation of this Notice of General Meeting are set out below:

Highest: \$0.016 on 30 July 2014.
Lowest: \$0.010 on 1 July 2014.
Last: \$0.016 on 31 July 2014.

- (i) As at 27 August, the date of preparation of this Notice of Meeting and Explanatory Memorandum, the Company's issued share capital stands at 128,644,045 Shares. If approval is given by Shareholders for the issue of shares to be granted in accordance with Resolution 10 then the following would apply.

Assuming VWAP share prices in (h) above

At 1.60 cents

- the Company's issued shares would increase by 1,562,500
- existing shareholders' holdings would be diluted by 1.21%

At 1.00 cent

- the Company's issued shares would increase by 2,500,000
- existing shareholders' holdings would be diluted by 1.94%

- (j) the main purpose of the issue of the Shares to the Related Party is to provide cost effective consideration to the Related Party for the repayment of the short term interest free loan contribution to the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

Directors' Recommendation

Mr Major declines to make a recommendation to Shareholders in relation to Resolution 10 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 10, recommend that Shareholders vote in favour of Resolution 10. The Board, excluding Mr Major, is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

10. RESOLUTIONS 11 AND 12 – REMOVAL AND APPOINTMENT OF AUDITOR

Background

As announced on 19 August 2014, the Company received a Notice of Intention made pursuant to section 329(1A) of the Corporations Act 2001 (Cth) in respect of removing Nexia Perth Audit Services Pty Ltd as the Company's auditor and a request that a general meeting of the Company be held to move a resolution to that effect.

Pursuant to section 329(2) of the Corporations Act, Nexia Perth Audit Services Pty Ltd has received a copy of the Notice of Intention and a copy has been lodged with ASIC.

The Notice of Intention was served on the Company by the directors.

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which two months' notice of intention to move the resolution has been given. This section also provides that if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting will be held less than two months after the notice of intention is given.

The Company provides the Notification of Intention to Shareholders in Annexure A to this Notice of Meeting and seeks approval to remove the auditor even though the meeting may be held less than two months after the notice of intention was given.

The Notice of Intention also nominated Bentleys Audit and Corporate (WA) Pty Ltd as the new auditor of the Company. Under section 327D of the Corporations Act, the Company in general meeting may appoint an auditor to replace an auditor removed under section 329 of the Corporations Act.

If Nexia Perth Audit Services Pty Ltd is removed under Resolution 11, under Special Resolution 12, the Directors propose that Bentleys Audit and Corporate (WA) Pty Ltd be appointed as the Company's auditors, effective as at the close of the meeting. Bentleys Audit and Corporate (WA) Pty Ltd has given written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

If Resolutions 11 and 12 are passed, the removal of Nexia Perth Audit Services Pty Ltd and the appointment of Bentleys Audit and Corporate (WA) Pty Ltd will simultaneously take effect at the close of the General Meeting, the subject of this Notice of Meeting.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 11 and 12 whereby Nexia Perth Audit Services Pty Ltd will be removed as auditor of the Company and Bentleys Audit and Corporate (WA) Pty Ltd will be appointed as auditor of the Company.

GLOSSARY

In the Notice of Meeting and the Proxy Form the following terms have the following meanings unless the context otherwise requires:

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited and the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the current board of Directors.

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 chairperson of the Meeting.

Company or **Hodges** means Hodges Resources Limited (ACN 115 819 479).

Constitution means the Company's constitution.

Convertible Securities means the convertible notes issued by the Company.

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

Director means a director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means the explanatory memorandum accompanying and forming part of the Notice.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Related Party means parties as prescribed under section 228 of the Corporations Act.

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

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

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:

- (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
 - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

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

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

ANNEXURE A



19 August 2014

The Company Secretary
Hodges Resources Ltd
Level 2
38 Richardson St
West Perth WA 6005

Notice of Intention – Removal of Auditor under s 329(1A)

I, Mark Major, on behalf of the Board, request that Hodges Resources Ltd ('the Company') convene a general meeting of shareholders of the Company for the purpose of placing before the meeting the following resolution:

"That Nexia Perth Audit Services Pty Ltd be removed as auditor of the Company"

The Board wishes to nominate Bentleys Audit & Corporate (WA) Pty Ltd as the new auditor of the Company. This should also be included as a resolution for the same general meeting of shareholders.

Can you please advise when the meeting will be convened, noting that the meeting must be held not later than 2 months after the date of this request – see s329(1A), but with 28 day's notice of the meeting being given under s249HA.

Yours sincerely

A handwritten signature in blue ink, appearing to be "Mark Major", written over a light blue horizontal line.

Mark Major
Managing Director