

---

**MERAH RESOURCES LIMITED**

**ACN 146 035 127**

**NOTICE OF GENERAL MEETING**

---

**TIME:** 10.00am (WST)

**DATE:** Monday 29 September 2014

**PLACE:** Level 2  
79 Hay Street  
Subiaco WA 6008

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9200 4473.*

---

## CONTENTS

---

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	7
Glossary	34
Schedule 1 – Oresearch Shareholders	36
Schedule 2 – Pro Forma Balance Sheet as at 31 May 2014	37
Proxy Form	38

---

## IMPORTANT INFORMATION

---

### Time and place of Meeting

---

Notice is given that the Meeting will be held at 10.00am (WST) on Monday 29 September 2014 at:

Level 2  
79 Hay Street  
Subiaco WA 6008

### Your vote is important

---

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

### Voting eligibility

---

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on Saturday 27 September 2014.

### Voting in person

---

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

### Voting by proxy

---

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

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

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

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

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

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

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

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### 1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to complete the Oresearch Acquisition as described in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

#### 2. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES TO ORESEARCH SHAREHOLDERS

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 6,666,667 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

#### 3. RESOLUTION 3 – ISSUE OF DEFERRED CONSIDERATION SHARES TO ORESEARCH SHAREHOLDER

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,616,161 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing

the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**4. RESOLUTION 4 – ISSUE OF DEFERRED CONSIDERATION SHARES TO RELATED PARTY ORESEARCH SHAREHOLDER – MR JEREMY READ**

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,367,004 Shares to Mr Jeremy Read (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

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

---

**5. RESOLUTION 5 – ISSUE OF DEFERRED CONSIDERATION SHARES TO RELATED PARTY ORESEARCH SHAREHOLDER – MR ADAM DAVEY**

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,616,160 Shares to Mr Adam Davey (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

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

---

**6. RESOLUTION 6 – ISSUE OF DEFERRED CONSIDERATION SHARES TO RELATED PARTY ORESEARCH SHAREHOLDER – TRINDIS PTY LTD**

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,367,004 Shares to Trindis Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Trindis Pty Ltd (or its nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**7. RESOLUTION 7 – ISSUE OF DEFERRED CONSIDERATION SHARES TO RELATED PARTY ORESEARCH SHAREHOLDER – M & S SUPER INVESTMENTS PTY LIMITED**

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

*"That, subject to the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,367,004 Shares to M & S Super Investments Pty Limited (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by M & S Super Investments Pty Ltd (or its nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**8. RESOLUTION 8 – ISSUE OF SHARES TO PACIFIC RIDGE EXPLORATION LTD**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price is equal to CDN\$50,000 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – 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 for all other purposes, Shareholders ratify the issue of 2,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company 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 – RATIFICATION OF PRIOR ISSUE – 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 for all other purposes, Shareholders ratify the issue of 500,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company 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 – RATIFICATION OF PRIOR ISSUE – SHARES UNDER ASX LISTING RULE 7.1

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 for all other purposes, Shareholders ratify the issue of 1,450,500 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company 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.

---

## 12. RESOLUTION 12 – RATIFICATION OF PRIOR ISSUE – SHARES UNDER ASX LISTING RULE 7.1A

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 for all other purposes, Shareholders ratify the issue of 2,649,500 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company 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.

---

**Dated: 29 August 2014**

**By order of the Board**

**Suzie Foreman**  
**Company Secretary**

---

## EXPLANATORY STATEMENT

---

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

**Resolutions 1 to 7 (inclusive) are inter-conditional on all of those Resolutions being approved. If any of Resolutions 1 to 7 (inclusive) are not passed, then all of Resolutions 1 to 7 (inclusive) will be taken to have been rejected by Shareholders.**

For the avoidance of doubt the Resolutions 1 to 7 (inclusive) are referred to as **Acquisition Resolutions** throughout this Notice.

---

### 1. OVERVIEW OF THE PROPOSED ACQUISITION

#### 1.1 Background

Merah Resources Limited (**Merah** or the **Company**) is a public company listed on the official list of the ASX (ASX: MEH) with a principal focus on exploration for gold and base metals in Western Australia and overseas. The Company was admitted to the official list on 1 May 2012.

The Company's current project is the Antubia Gold Project in Ghana, West Africa. The Antubia Gold Project comprises two contiguous licences known as Antubia and Boizan, located approximately 370km west-northwest of Accra with a combined area of 295 km<sup>2</sup>.

In addition to its principal business activities, the Company has been actively seeking to identify and evaluate new opportunities in related or non-related industries both in Australia and/or overseas that may increase Shareholder value.

#### 1.2 Background to change in nature and scale

On 18 July 2014, the Company announced to ASX that it had entered into the following agreements:

- (a) a binding terms sheet (**Oresearch Agreement**) with Oresearch Limited (ACN 153 505 429) (**Oresearch**), an Australian public unlisted company, and the shareholders of Oresearch (**Oresearch Shareholders**), to acquire 100% of the issued share capital of Oresearch (**Oresearch Acquisition**); and
- (b) a letter agreement with Pacific Ridge Exploration Ltd (a company incorporated in Canada) (TSX-V:PEX) (**Pacific Ridge**), pursuant to which Pacific Ridge has granted the Company an exclusive right and option to earn up to an 80% interest in mineral exploration licenses located in the Finlayson Lake District, south east Yukon Territory, Canada (**Fyre Lake Property**) (**Fyre Lake Agreement**).

The material terms of the Oresearch Agreement and the Fyre Lake Agreement are summarised in sections 1.4 and 1.5 of this Explanatory Statement.

Other information considered material to the Shareholders' decision on whether to pass the Acquisition Resolutions is set out in this Explanatory Statement, and Shareholders are advised to read this information carefully.



### 1.3 About Oresearch

Oresearch is an Australian public unlisted company. As announced on 11 August 2014, Oresearch has entered into an agreement to earn up to a 100% interest in three exploration licences located in South Australia, known as the Coober Pedy Project. Oresearch also has intellectual property in the form of a pipeline of assets under review. The Oresearch management team has extensive experience in precious and base metals projects both in Australia and overseas.

### 1.4 Key terms of the Oresearch Agreement

#### Conditions Precedent

Settlement is conditional upon the satisfaction or waiver of the following outstanding conditions precedent (the **Conditions**):

- (a) the Company obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) and any other law to allow the Company to lawfully complete the matters set out in the Oresearch Agreement;
- (b) the Company obtaining all necessary third party approvals or consents to give effect to the matters set out in the Oresearch Agreement to allow the Company to lawfully complete the matters set out in the Oresearch Agreement;
- (c) the Company obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the Company to lawfully complete the matters set out in the Oresearch Agreement; and
- (d) Oresearch obtaining any consents that may be required under any agreement to which Oresearch is a party, to the transactions contemplated by the Oresearch Agreement.

The Conditions must be satisfied (or waived) on or before the date specified in the Conditions or in the absence of a date, on or before 5.00pm (Perth time) on 31 October 2014.

#### Initial Capital Raising

Merah will complete a capital raising to raise a minimum of \$500,000 via:

- (a) a placement of approximately 4,100,000 Shares under Merah's ASX Listing Rule 7.1 placement capacity (**Placement**). The Placement was completed on 18 July 2014; and
- (b) an entitlement issue of Shares on a 2 for 3 basis (**Entitlement Issue**),

at an issue price to of \$0.03 per Share (**Initial Capital Raising**).

#### Initial Consideration

In consideration for the sale of 100% of the issued share capital in Oresearch to the Company, on the Settlement Date (as defined below) the Company will issue to the shareholders of Oresearch (or their nominees) in the proportions set out in Schedule 1, that number of fully paid ordinary shares on the capital of the

Company (**Shares**), when multiplied by the Issue Price, will be equal to \$133,334 (**Initial Consideration Shares**).

The **Issue Price** will be the same price as at which Shares are issued pursuant to the Initial Capital Raising, being \$0.03 per Share.

The Initial Consideration Shares will be subject to a voluntary escrow period of six (6) months from their date of issue or such other period imposed in accordance with the ASX Listing Rules.

#### Additional Project Acquisition

As announced on 11 August 2014, Oresearch has entered into an agreement with Teck Australia Pty Ltd, to earn up to a 100% interest in three exploration licences located in South Australia, known as the Coober Pedy Project (**Additional Project**). Further details of the Additional Project are set out in section 1.6 of this Explanatory Statement.

In accordance with the terms of the Oresearch Agreement, in consideration for the acquisition of the Additional Project, the Company has agreed to issue to the Oresearch Shareholders (or their nominees), in the proportions set out in Schedule 1, that number of Shares, when multiplied by the Issue Price, will be equal to \$66,666 (**Additional Consideration Shares**).

The **Issue Price** will be the same price at which Shares are issued pursuant to the Initial Capital Raising, being \$0.03.

The Additional Consideration Shares will be issued to the Shareholders on the Settlement Date (as defined below).

The Additional Consideration Shares will be subject to a voluntary escrow period of six (6) months from their date of issue or such other period imposed in accordance with the ASX Listing Rules.

#### Secondary Capital Raising

As soon as practicable following the re-rating of the price of the Shares, as determined by the independent directors of the Company at the time, the Company will undertake a capital raising to raise a minimum of \$1,500,000 (**Secondary Capital Raising**).

#### Deferred Consideration

Subject to any necessary Merah board and shareholder approvals, Merah will issue to the Oresearch Shareholders (or their nominees) in the proportions set out in Schedule 1:

- (a) that number of Shares, when multiplied by the Issue Price, will equal \$133,334 (**Tranche 1 Deferred Consideration Shares**) to be issued as follows:
  - (i) where 50% or more of the funds raised from the Entitlement Issue (including the shortfall) are raised from persons or entities introduced to the Company by Oresearch Shareholders or Patersons Securities Limited, as underwriter, that number of Shares, when multiplied by the Issue Price, will equal \$66,667, to be issued on the Settlement Date (as defined below); and

- (ii) the balance of the Tranche 1 Deferred Consideration Shares to be issued on completion of the Secondary Capital Raising;
- (b) subject to the Company entering into the Additional Project Agreement (which has now occurred), that number of Shares which, when multiplied by the Issue Price, will equal \$66,666 (**Tranche 2 Deferred Consideration Shares**), to be issued as follows:
  - (i) where 50% or more of the funds raised from the Entitlement Issue (including the shortfall) are raised from persons or entities introduced to the Company by the Oresearch Shareholders or Patersons Securities Limited, as underwriter, that number of Shares, when multiplied by the Issue Price, will equal \$33,333, to be issued on the Settlement Date (as defined below); and
  - (ii) the balance of the Tranche 2 Deferred Consideration Shares to be issued on completion of the Secondary Capital Raising;
- (b) that number of Shares, when multiplied by the Issue Price, will be equal to \$133,334 (**Tranche 3 Deferred Consideration Shares**) to be issued on the earlier to occur of:
  - (i) completion of the earlier to occur of:
    - (A) the first 12 months of exploration on the Additional Project; or
    - (B) meeting the minimum expenditure commitment on the Additional Project,

and, the board of directors of Merah electing to continue to fund expenditure on the Additional Project (either by sole funding or assigning or selling its joint venture interest) following satisfaction of the minimum expenditure commitment on the Additional Project; and
  - (ii) completion of the earlier to occur of:
    - (A) the first 12 months of exploration on the Fyre Lake Property; or
    - (B) meeting the minimum expenditure commitment on the Fyre Lake Property,

and, the board of directors of Merah electing to continue to fund expenditure on the Fyre Lake Property (either by sole funding or assigning or selling its joint venture interest) following satisfaction of the minimum expenditure commitment on the Fyre Lake Property; and
- (c) subject to the Company entering into the Additional Project Agreement (which has now occurred), that number of Shares which, when multiplied by the Issue Price, will be equal to \$66,666 (**Tranche 4 Deferred Consideration Shares**), to be issued on the earlier to occur of:
  - (i) completion of the earlier to occur of:

- (A) the first 12 months of exploration on the Additional Project; or
- (B) meeting the minimum expenditure commitment on the Additional Project,

and, the board of directors of Merah electing to continue to fund expenditure on the Additional Project (either by sole funding or assigning or selling its joint venture interest) following satisfaction of the minimum expenditure commitment on the Additional Project; and

(ii) completion of the earlier to occur of:

- (A) the first 12 months of exploration on the Fyre Lake Property; or
- (B) meeting the minimum expenditure commitment on the Fyre Lake Property,

and, the board of directors of the Purchaser electing to continue to fund expenditure on the Fyre Lake Property (either by sole funding or assigning or selling its joint venture interest) following satisfaction of the minimum expenditure commitment on the Fyre Lake Property,

(together, the **Deferred Consideration Shares**).

The **Issue Price** will be the same price at which Shares are issued pursuant to the Initial Capital Raising.

The Deferred Consideration Shares will be subject to a voluntary escrow period of six (6) months from their date of issue, or such other period imposed in accordance with the ASX Listing Rules.

#### Success Fee

Subject to any necessary Shareholder and Board approvals, if, within six (6) months of the Settlement Date, any or all of the Oresearch Shareholders are successful in securing an interest in one or more additional projects for the Company, other than the Additional Project, the Company will issue to the Oresearch Shareholders (or their nominees), pro-rata to their existing proportion holding, that number of Shares, when multiplied by the issue price will be equal to 5% of the agreed purchase price of the project(s) (**Success Fee Shares**).

The issue price of the Success Fee Shares will be the volume weighted average price of Shares calculated over the 5 trading days immediately prior to the date of issue of the Success Fee Shares.

The Success Fee Shares will be subject to a voluntary escrow period of six (6) months from their date of issue, or such other period as imposed in accordance with the ASX Listing Rules.

#### Board Composition

Upon Settlement (as defined below), the board of directors of the Company will be as follows:

- (a) Mr David DeLoub – Non-Executive Chairman;

- (b) Mr Jeremy Read – Managing Director;
- (c) Mr Ian Prentice – Non-Executive Director; and
- (d) Mr Adam Davey – Non-Executive Director.

Upon completion of the Secondary Capital Raising, the board of directors of the Company will be as follows:

- (a) Mr David DeLoub – Non-Executive Chairman;
- (b) Mr Jeremy Read – Managing Director;
- (c) Mr Ian Prentice – Non-Executive Director;
- (d) Mr Adam Davey – Non-Executive Director; and
- (e) Mr Paul Niardone – Non-Executive Director.

Within six (6) months of completion of the Secondary Capital Raising, the board of directors of the Company will be as follows:

- (a) Mr Morrice Cordiner – Non-Executive Chairman;
- (b) Mr Jeremy Read – Managing Director;
- (c) Mr David DeLoub – Non-Executive Director;
- (d) Mr Adam Davey – Non-Executive Director; and
- (e) Mr Paul Niardone – Non-Executive Director.

#### Settlement

Settlement of the acquisition of 100% of the issued share capital of Oresearch (**Settlement**) will occur on that date which is five (5) business days after satisfaction (or waiver) of all Conditions (or such other date as agreed between the parties) (**Settlement Date**).

### **1.5 Details of the Fyre Lake Agreement**

#### First Option

Pacific Ridge has granted the Company the exclusive right and option to earn an initial 51% right, title and interest in the Fyre Lake Property, on the following terms:

- (a) on the date of execution of the Fyre Lake Agreement (**Effective Date**), Merah paying to Pacific Ridge CDN\$50,000. This payment has been made to Pacific Ridge;
- (b) upon Merah obtaining all necessary shareholder, regulatory and third party approvals or waivers to allow Merah to lawfully complete the matters set out in the Fyre Lake Agreement, including but not limited to obtaining all necessary approvals for the issue of Shares, but in any case no later than 30 September 2014, Merah issuing and delivering to Pacific Ridge Shares having a Value (as defined below) of CDN\$50,000 (**Initial FL Shares**);

- (c) on the first anniversary of the Effective Date, Merah paying CDN\$100,000 to Pacific Ridge and issuing and delivering Shares having a Value of CDN\$100,000;
- (d) on the second anniversary of the Effective Date, Merah paying CDN\$200,000 to Pacific Ridge and issuing and delivering Shares having a Value of CDN\$200,000;
- (e) on the third anniversary of the Effective Date, Merah paying CDN\$300,000 to Pacific Ridge and issuing and delivering Shares having a Value of CDN\$300,000; and
- (f) prior to the first anniversary of the Effective Date, Merah incurring not less than an aggregate CDN\$500,000 in exploration expenditures on the Fyre Lake Property, and prior to 10, January 2017, Merah incurring not less than an aggregate CDN\$3,500,000 in exploration expenditures on the Fyre Lake Property.

**Value** for the purposes of the Shares to be issued above will be calculated using an issue price equal to the 20 day volume weighted average price (**VWAP**) of Shares in the 20 days immediately prior to the date of their issue. The issue of the above Shares is the subject of Resolution 6 of this Notice of Meeting.

Where the Company does not complete all of the above requirements, the Company will not earn the 51% interest in the Fyre Lake Property and the Fyre Lake Agreement will terminate.

#### Second Option

Upon earning a 51% interest in the Fyre Lake Property, Merah can, within 30 days of earning the 51% interest, elect to proceed with the second option to earn an additional 19% interest in the Fyre Lake Property, for an aggregate 70% interest in the Fyre Lake Property, by incurring a further CDN\$3,000,000 in exploration expenditures on the Fyre Lake Property by 10 January 2018.

#### Pacific Ridge Reduction of Interest

Upon Merah earning an aggregate 70% interest in the Fyre Lake Property, Pacific Ridge has the right and option, in its sole discretion, to reduce its interest in the Fyre Lake Property from 30% to 20%, in consideration for Merah sole funding exploration expenditures on the Fyre lake Property through to delivery of a Feasibility Study (as defined in the CIM Definition Standards for Mineral Resources and Mineral Reserves, as amended) in respect of the Fyre Lake Property (thereby increasing Merah's interest in the Fyre Lake Property to 80%).

#### Joint Venture

Once Merah has acquired a 51%, 70% or 80% interest in the Fyre Lake Property (as applicable) the parties will enter into a joint venture agreement on industry standard terms and conditions. The joint venture agreement shall, amongst other things, include provision for the conversion of a party's joint venture interest to a 2% Net Smelter Returns royalty in the event that the party's joint venture interest is reduced to 10% or less.

### Mineral Exploration Licences in Good Standing

Upon termination of the Fyre Lake Agreement, Merah is obligated to ensure that all mineral exploration licences comprising the Fyre Lake Property are in good standing for at least one year.

#### **1.6 Details of the Additional Project**

The Coober Pedy Project is 100% owned by Teck Australia Pty Ltd (**Teck**) and comprises three exploration licenses, totalling 900 km<sup>2</sup>, located at the north-western end of the highly endowed Proterozoic Olympic Iron Oxide Copper-Gold (IOCG) Province in the Gawler Craton, South Australia (**Additional Project**).

The project area covers crustal-scale structures, the Karari Shear Zone and Horse Camp Fault, and has similar geology and high amplitude magnetic and gravity features to the adjoining Mt Woods Domain that hosts the Prominent Hill IOCG deposit.

Teck has defined a strong, discrete magnetic and gravity anomaly, the Cyclops prospect, which is an untested 'walk-up' IOCG drill target in close proximity to the Karari Shear Zone. The anomalies have been forward modelled and are consistent with a magnetite-rich body of approximately 800m x 250m, starting at a depth of about 150-200m.

Elsewhere within the project tenure, residual magnetic/gravity anomalies require further modelling, prioritization, and drill testing where warranted.

#### **1.7 Details of the Fyre Lake Property**

The Fyre Lake Property is comprised of mineral exploration licences located in the Finlayson Lake District, south east Yukon Territory, Canada. The Fyre Lake Property contains the Kona Mineral Resource, which is classified as a Volcanogenic Hosted Massive Sulphide (VMS) deposit and over nine kilometres of favourable host rocks with geochemical and geophysical targets indicative of VMS mineralization.

The Finlayson Lake District also hosts the Kudze Kayah and Wolverine VMS deposits. The Wolverine deposit, owned by Yukon Zinc, occurs 25km to the north east of the Fyre Lake Property and reached full commercial production of approximately 650,000 tonnes per annum in the first quarter of 2013. Wolverine was discovered in 1995, slightly preceding the commencement of the drilling to define the Kona deposit on the Fyre Lake Property.

During 1996 and 1997 the current project owner, Pacific Ridge, focused its attention on delineating one target, the Kona deposit, through completion of 23,200m of drilling in 115 holes. The Kona deposit consists of two parallel northwest trending zones of Cu-Co-Au VMS mineralization found in horizons with mineralized thicknesses varying from 8m to 40m over a length of 1,500m and a width of 250m.

The drilling delineated a total Mineral Resource at the Kona deposit of 8.93 Mt @ 1.52% Cu, 0.09% Co and 0.56 g/t Au, utilizing a 1.0% Cu cut-off, which has been classified under the JORC code (2012) as set out in the table below. Metallurgical studies indicate metal recoveries of 90% for copper and 70% for gold and cobalt.

Resource Class	Tonnes	Cu	Co	Au
	(Mt)	(%)	(%)	(g/t)
Indicated	3.57	1.57	0.1	0.61
Inferred	5.36	1.48	0.08	0.53
Total	8.93	1.52	0.09	0.56

*The Kona Mineral Resource is reported in accordance with the guidelines of the 2012 edition of the Australasian Code for reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code).*

The mineralisation at the Kona deposit remains open down plunge and down dip to the east and west with indications that the grade increases with depth.

No drilling has been conducted on the Fyre Lake Property since 1997, despite the Kona Mineral Resource being open and exploration targets remaining untested.

## 1.8 Change to the Board of Directors

The Board of the Company currently comprises:

- (a) David Deloub;
- (b) Ian Prentice; and
- (c) Jason Eveleigh.

On completion of the Oresearch Acquisition, the Board will be restructured and each of Jeremy Read and Adam Davey will be appointed by the current Board as additional Directors of the Company, with Mr Eveleigh resigning as a Director.

On completion of the Oresearch Acquisition, the Board of Directors is therefore intended to be:

- (a) David Deloub;
- (b) Ian Prentice;
- (c) Jeremy Read; and
- (d) Adam Davey.

As noted in section 1.4 above, it is also proposed that Mr Paul Niardone and Mr Morrice Cordiner will be appointed as Directors following completion of the Secondary Capital Raising. The timing of the Secondary Capital Raising will be determined by the independent directors of the Company following the re-rating of the price of the Shares. Accordingly, as at the date of this Notice, the date on which Mr Niardone and Mr Cordiner will be appointed as Directors is not known.

### **Mr Jeremy Read**

Jeremy was the founding managing director of Discovery Metals Limited (**Discovery**) from its incorporation in May 2003, until his appointment as a non-executive director on 1 February 2008. Mr Read secured the Boseto Copper Project for Discovery and was responsible for all Discovery's fund raising activities and for listing Discovery on the Australian Securities Exchange, Botswana Stock Exchange and the Alternative Investment Market in London.



Mr Read was also the founding managing director of Meridian Minerals Limited, obtained the Lennard Shelf Zn-Pb Project for Meridian and led the company until its takeover by the Chinese mining company NWME.

Jeremy's experience and expertise are seen as valuable assets to the Merah Board and signal a change in the Company's strategy to a more aggressive path of project acquisition, project development and value capture for shareholders. The Company will primarily focus its activities on advanced copper projects with the ability to create shareholder value through expanding defined mineral resources and undertaking feasibility studies.

#### **Mr Adam Davey**

Mr Adam Davey's expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties. Adam has been involved in significantly growing businesses in both the industrial and mining sector. This has been achieved through holding various roles within different organisations, including chairman, managing director, non-executive director, major shareholder and corporate adviser to the board.

#### **Mr Paul Niardone, BA MBA**

Paul is currently the CEO of the Ausnet Group of Companies comprising Ausnet Real Estate Network, Mortgage Solutions Australia, Landmark Settlements and Ausnet Financial Planning.

Paul was an original founder of Professional Public Relations "PPR" (WA), the largest public relations and communications firm in Western Australia and winner of Agency of the Year and Best Investor Relations Practice (2008, 2009 and 2010).

Mr Niardone has 20 years experience in strategic planning, marketing/business development, investor and government relations for clients in both government and the private sector.

Paul has sat on the boards of a number of public and private companies and not for profit organisations. Current Board positions include, Avalon Minerals Limited, Protean Energy Limited and the Murdoch University Senate.

#### **Mr Morrice Cordiner, LLB, ASIA**

Morrice is a corporate lawyer and has over 25 years' experience in the finance and resources industries. Morrice was a founding director of listed copper producer, Discovery Metals Limited and was instrumental in identifying the original projects and strategic alliance with Falconbridge Inc which brought in the original exploration properties to the company in 2003. He was also a founding director of Andean Resources Limited in 2004. Andean Resources Limited was taken over in December 2010 by Goldcorp Inc for US\$3.5 billion.

Over the past decade, Mr Cordiner has been involved as a senior executive in the successful development and financing of a number of listed resource companies with projects in gold, nickel, copper and zinc. He has been actively involved in raising funds for these ventures on the ASX, the London AIM market and the Toronto Stock Exchange.

Morrice's currently holds directorships in listed resource companies Chesser Resources Limited and Discovery Metals Limited.

## 1.9 Pro forma balance sheet

An unaudited pro forma balance sheet of the Company following completion of the Oresearch Acquisition and issues of all Shares contemplated by this Notice of Meeting is set out in Schedule 2.

## 1.10 Pro forma capital structure

The capital structure of the Company following completion of the matters contemplated by the Resolutions is set out below:

	Shares	Options	Performance Rights
Current issued capital <sup>1</sup>	33,095,001	7,000,000 <sup>2</sup>	2,000,000
Entitlement Issue <sup>3</sup>	22,063,334	Nil	Nil
Initial Consideration Shares (Resolution 2)	4,444,467	Nil	Nil
Additional Consideration Shares (Resolution 2)	2,222,200	Nil	Nil
Tranche 1 Deferred Consideration Shares (Resolutions 3 to 7)	4,444,467	Nil	Nil
Tranche 2 Deferred Consideration Shares (Resolutions 3 to 7)	2,222,200	Nil	Nil
Tranche 3 Deferred Consideration Shares (Resolutions 3 to 7)	4,444,466	Nil	Nil
Tranche 4 Deferred Consideration Shares (Resolutions 3 to 7)	2,222,200	Nil	Nil
Initial FL Shares (Resolution 8) <sup>4</sup>	1,190,476	Nil	Nil
<b>Total</b>	<b>76,348,811</b>	<b>7,000,000</b>	<b>2,000,000</b>

### Notes:

1. Assumes no further securities are issued or Options exercised prior to completion of the matters the subject of the Resolutions, other than as set out in the table.
2. Unquoted options exercisable at \$0.20 each on or before 31 August 2015.
3. Assumes the Entitlement Issue is successful and 22,063,334 Shares are subscribed for and issued.
4. Assumes an issue price of \$0.042 per Share, being the 20 day VWAP of Shares as at 20 August 2014.

As noted in section 1.4 above, the Company will also issue Success Fee Shares to the Oresearch Shareholders in the event that within 6 months from the Settlement Date of the Oresearch Agreement, the Oresearch Shareholders are successful in securing an interest in one or more additional projects, other than the Additional Project, for the Company. The number of Success Fee Shares to be issued will be determined based on the purchase price of the additional projects.

## 1.11 Proposed budget

As at 30 June 2014, the Company had cash reserves of approximately \$150,000.

If the Oresearch Acquisition is completed, the Company intends to apply its remaining cash reserves together with the proposed Initial Capital Raising and Secondary Capital Raising as follows over the next 12 months:

Item	Amount \$AUD
Exploration expenditure on the Company's Existing Project	\$250,000
Cash consideration payable to Pacific Ridge (first anniversary payment) <sup>1</sup>	\$100,000
Exploration expenditure – Fyre Lake Property <sup>2</sup>	\$500,000
Exploration expenditure – Additional Project (Coober Pedy) (including the cost of the initial exploration program)	\$1,015,000
Working capital and corporate administration	\$445,235
Estimated cost of the Oresearch Acquisition (including expenses of the Entitlement Issue) <sup>3</sup>	\$89,765
<b>TOTAL</b>	<b>\$2,400,000</b>

Please note the Board reserves the discretion to modify the table above.

**Notes:**

1. Australian dollar equivalent at an exchange rate of 1:1 CDN:AUD.
2. Estimated exploration expenditure over the 12 months from the date of execution of the Fyre Lake Agreement.
3. Refer to the table below for the itemised costs of the matters proposed in the Acquisition Resolutions:

Estimated Costs of the matters proposed in the Acquisition Resolutions, including the Initial Capital Raising	Full subscription (deemed \$661,900)
Costs associated with successful completion of due diligence and legal costs associated with the Oresearch Acquisition	\$15,000
ASIC Fees	\$2,290
ASX Fees	\$3,880
Legal fees	\$18,000
Underwriting fee payable to Patersons Securities Limited under the Entitlement Issue	\$33,095
Lead manager fee payable to Patersons Securities Limited under the Entitlement Issue	\$5,000
Shareholder Meeting / Share Registry Costs	\$6,000
Printing	\$5,500
Miscellaneous	\$1,000
<b>Total</b>	<b>\$89,765</b>

The above tables are statements of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company and may alter the costs estimated above.

## 1.12 Indicative timetable

Event	Date
Lodgement of Prospectus with ASIC and ASX	19 August 2014
Record date for determining Shareholder entitlements (5:00pm WST)	26 August 2014

Opening date and Prospectus sent out to Shareholders	29 August 2014
Closing Date of Entitlement Issue (5:00pm WST)	24 September 2014
General Meeting of Shareholders	29 September 2014
Issue date of Shares under the Entitlement Issue	29 September 2014
Proposed date for the issue of Shares to Pacific Ridge	30 September 2014
Proposed date for Settlement of the Oresearch Agreement	30 September 2014
Issue of Shares to Oresearch Shareholders pursuant to Resolution 2	

\* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

### **1.13 Advantages of the Oresearch Acquisition**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the Oresearch Acquisition represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's shares;
- (b) the Oresearch Acquisition provides an opportunity for the Company to diversify its interests to include Oresearch and the Additional Project, which are primarily prospective for copper and base metal mineralisation enhancing the Company's existing asset portfolio;
- (c) the new management and Board members will provide an experienced set of skills to guide the growth of the Company in the activities relevant to the new business;
- (d) the acquisition of Oresearch provides the Company with the opportunity to increase the value of the Company; and
- (e) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Oresearch Acquisition.

### **1.14 Disadvantages of the Oresearch Acquisition**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the Company will be changing the scale of its activities, which may not be consistent with the objectives of all Shareholders;
- (b) the Oresearch Acquisition, Initial Capital Raising and potentially the Secondary Capital Raising will result in the issue of Shares to Oresearch Shareholders or their nominees and new investors, which will have a dilutionary effect on the current holdings of Shareholders;

- (c) significant future outlays of funds from the Company may be required for the operations of Oresearch, including to earn an interest in the Additional Project; and
- (d) there are inherent risks factors associated with the change of nature of the Company's activities. A non-exhaustive list of these risks is set out in Section 1.15 below.

### **1.15 Risk factors**

The risk profile of Oresearch and the Additional Project is similar to that of the Company's existing assets which has previously been disclosed to Shareholders as the Company would be continuing with mineral exploration and the Additional Project is prospective for gold.

However, the Directors have identified the following risks the Company may be exposed to following completion of the Oresearch Acquisition that are in addition to those currently applying:

#### **(a) Dilution Risk**

The Company currently has 33,095,001 Shares and 7,000,000 Options on issue and will issue up to a further 42,063,334 Shares (including Shares issued pursuant to the Entitlement Issue) if the Acquisition Resolutions are passed and the Oresearch Acquisition is completed (assuming that all Deferred Consideration Shares are issued) and a further 1,190,476 Initial FL Shares to Pacific Ridge if Resolution 8 is passed.

Upon the issue of the Consideration Shares, the Shares under the Entitlement Issue (assuming no exercise of Options and no entitlements are accepted by existing Shareholders under the Entitlement Issue) and the Initial FL Shares to Pacific Ridge, the existing Shareholders will retain approximately 43.35% of the issued capital of the Company, the Oresearch Shareholders will hold approximately 26.20% of the issued capital of the Company and Pacific Ridge will hold 1.56% of the issued capital of the Company. The balance of 28.90% of the Company's issued capital will be held by the underwriter and/or sub-underwriters of the Entitlement Issue. In the event all entitlements under the Entitlement Issue are accepted, the dilution effect for each Shareholder accepting their entitlement would be a lesser percentage.

If the relevant performance milestones for the Deferred Consideration Shares are not met, some or all of the Deferred Consideration Shares will not be issued and the interests of existing Shareholders in the Company will increase.

There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings (including the Secondary Capital Raising) required in order to fund the development of the Additional Project and/or the Fyre Lake Property and the issue of the Shares to Pacific Ridge on the first, second and third anniversaries of the Effective Date to earn a 51% interest in the Fyre Lake Property as detailed in section 1.5 of this Explanatory Statement.

#### **(b) Fyre Lake Option Agreement**

Pursuant to the Fyre Lake Agreement, the Company has been granted an option to acquire up to an 80% interest in the Fyre Lake Property.

There is no guarantee that the Company will exercise its option and satisfy all of the requirements, including incurring exploration expenditure, to earn an initial 51% interest in the Fyre Lake Property. In the event that initial exploration results are not conducive to performing further exploration of the Fyre Lake Property, the Company may elect not to proceed with the Fyre Lake Property joint venture and may not earn an interest in the Fyre Lake Property.

(c) **Additional Project Option**

As noted above, Oresearch has entered into an agreement pursuant to which it will acquire the sole, exclusive and irrevocable right and option to earn up to a 100% interest in the Additional Project (**Option**). The Option is subject to the Company completing an initial program on the Additional Project, including minimum expenditure of \$500,000, by 31 July 2015. Only once the initial program has been completed, and subject to the Company electing to proceed, will the Company have the Option to acquire an interest in the Additional Project. There is no guarantee that Oresearch will acquire and subsequently exercise its Option and this will be decided after Oresearch has undertaken exploration activities and completed the initial program. If Oresearch does not exercise its Option, it would be unable to continue to explore the Additional Project.

(d) **New Management**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Oresearch Acquisition. The capacity of the new management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(e) **Integration Risk**

There is a risk that management may not be able to integrate the Oresearch Acquisition and implement the Company's growth strategy after completion of the Oresearch Acquisition.

(f) **Contractual Risk**

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party, and the ability of the Company to achieve its objectives will depend on the performance by each of the parties of their respective obligations under these agreements. If a party defaults in the performance of their obligations it may adversely affect the Company or its projects. In the event of dispute, there can be no guarantee that seeking enforcement or of compensation under such agreements will provide an efficient or satisfactory outcome.

## **1.16 Intentions if Oresearch Acquisition is not approved**

If the Conditions to the Oresearch Agreement are not satisfied or waived, including if the Acquisition Resolutions are not passed, the Oresearch Acquisition will not proceed and the Company will continue its activities on its existing assets and will continue to investigate alternative investment opportunities which will build Shareholder value.

## **1.17 Director's recommendation**

None of the current Board members has a material personal interest in the outcome of the Resolutions (including the Acquisition Resolutions) and consider the Oresearch Acquisition to be beneficial to Shareholders because of the advantages set out in section 1.13 of this Explanatory Statement.

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 to 12.

## **1.18 Competent person's statement**

The information in this Notice of Meeting relating to the Kona Mineral Resource at the Fyre Lake Property is extracted from the ASX Release entitled "Merah Resources to Acquire Copper Project in the Yukon Canada" announced on 18 July 2014 and is available to view on the ASX website (ASX:JAL), and the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

---

## **2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES**

### **2.1 General**

Resolution 1 seeks approval from Shareholders for the Oresearch Acquisition.

As outlined in Section 1.2, the Company has entered into the Oresearch Agreement to acquire 100% of the issued capital of Oresearch.

Further details of the Oresearch Agreement, the assets being acquired and the effect of the Oresearch Acquisition on the Company are set out in Section 1.

### **2.2 Legal requirements**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that the Oresearch Acquisition only requires the Company to obtain Shareholder approval for the purposes of ASX Listing Rule 11.1.2.

For this reason, the Company is seeking Shareholder approval pursuant to Resolution 1 for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2.

---

### 3. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES TO ORESEARCH SHAREHOLDERS

#### 3.1 General

As outlined in section 1.2 of this Explanatory Statement, the Company has entered into the Oresearch Agreement pursuant to which the Company will acquire 100% of the issued share capital of Oresearch.

A summary of the key terms of the Oresearch Agreement is set out in section 1.4 of this Explanatory Statement.

Resolution 2 seeks Shareholder approval for the issue of:

- (a) that number Shares, when multiplied by the issue price of \$0.03, will be equal to \$133,334 (being 4,444,467 Shares) (**Initial Consideration Shares**); and
- (b) that number of Shares, when multiplied by the issue price of \$0.03, will be equal to \$66,666 (being 2,222,200 Shares) (**Additional Consideration Shares**),

in consideration for the Oresearch Acquisition.

#### 3.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Consideration Shares constitutes giving a financial benefit and:

- (a) Mr Jeremy Read and Mr Adam Davey are related parties of the Company by virtue of being proposed directors of the Company;
- (b) Trindis Pty Ltd (**Trindis**) is a related party by virtue of being an entity controlled by Mr Paul Niardone who is a proposed director of the Company; and
- (c) M & S Super Investments Pty Limited (**M & S Super Investments**) is a related party of the Company by virtue of being controlled by Mr Morrice Cordiner who is a proposed director of the Company.

Mr Jeremy Read, Mr Adam Davey, Trindis and M & S Super Investments are together referred to as the **Related Parties**.



The current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Consideration Shares to the Related Parties, as the Consideration Shares will be issued to the Related Parties on the same terms as Consideration Shares issued to the non-related party Oresearch Shareholder and as such the giving of the financial benefit is on arm's length terms.

### **3.3 ASX Listing Rule 10.11**

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.

ASX Listing Rule 10.12 (Exception 6) provides that where a person is only a related party by reason of the transaction which is the reason for the issue of the securities and the application of section 228(6) of the Corporations Act, ASX Listing Rule 10.11 shall not apply.

None of the Oresearch Shareholders, other than the Related Parties, are related parties of the Company. Mr Read and Mr Davey, as proposed directors of the Company (see sections 1.4 and 3.2 of this Explanatory Statement) and Trindis and M & S Super Investments, as entities controlled by proposed directors of the Company, are related parties of the Company by virtue of the operation of section 228(6) of the Corporations Act.

The Related Parties are related parties by reason only of the Oresearch Acquisition transaction which is the reason for the issue of the securities to them. The Initial Consideration Shares and the Additional Consideration Shares will be issued to the Oresearch Shareholders at Settlement of the Oresearch Acquisition. As such, separate Shareholder approval for the issue of Initial Consideration Shares and Additional Consideration Shares to the Related Parties under ASX Listing Rule 10.11 is not required (see ASX Listing Rule 10.12 (Exception 6)).

However, subject to the respective milestones being achieved, the Deferred Consideration Shares will be issued after Mr Read and Mr Davey have been appointed as directors of the Company (which is to occur upon Settlement of the Oresearch Acquisition), at which time the exceptions set out in ASX Listing Rule 10.12 will not apply to the issue of the Deferred Consideration Shares to Mr Read and Mr Davey. Accordingly, separate Shareholder approval is required for the issue of the Deferred Consideration Shares to Mr Read and Mr Davey.

As noted in section 1.4 above, Mr Paul Niardone and Mr Morrice Cordiner will be appointed as directors of the Company following completion of the Secondary Capital Raising. The timing of the Secondary Capital Raising will be determined by the independent directors of the Company following the re-rating of the price of the Shares. As at the date of this Notice, the date on which Mr Niardone and Mr Cordiner will be appointed as Directors is not known. Therefore, subject to the respective milestones being achieved, it is likely that some or all of the Deferred Consideration Shares will be issued after Mr Niardone and Mr Cordiner have been appointed as directors of the Company, at which time the exceptions set out in ASX Listing Rule 10.12 will not apply to the issue of the Deferred Consideration Shares to Trindis and M & S Super Investments. Accordingly, separate Shareholder approval is required for the issue of the Deferred Consideration Shares to Trindis and M & S Super Investments, as entities controlled by proposed directors of the Company.

The issue of Deferred Consideration Shares to the Related Parties is the subject of Resolutions 4 to 7 of this Notice of Meeting.

### **3.4 ASX Listing Rule 7.1**

Resolution 2 seeks Shareholder approval for the issue of 6,666,667 Shares (comprising all of the Initial Consideration Shares and all of the Additional Consideration Shares to be issued to the Oresearch Shareholders) in consideration for the Oresearch Acquisition.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Company to issue the Shares the subject of Resolution 2 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued is 6,666,667;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil cash consideration as they will be issued in consideration for the Oresearch Acquisition;
- (d) the Shares will be issued to the Oresearch Shareholders (or their respective nominees) in the proportions set out in Schedule 1;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Shares are being issued in consideration for the Oresearch Acquisition.

---

## **4. RESOLUTIONS 3 TO 7 – ISSUE OF DEFERRED CONSIDERATION SHARES TO ORESEARCH SHAREHOLDERS**

### **4.1 General**

As outlined in section 1.2 of this Explanatory Statement, the Company has entered into the Oresearch Agreement pursuant to which the Company will acquire 100% of the issued share capital of Oresearch.

A summary of the key terms of the Oresearch Agreement is set out in section 1.4 of this Explanatory Statement.

Subject to the satisfaction of the relevant milestones, Resolutions 3 to 7 seek Shareholder approval for the issue of:

- (a) that number of Shares, when multiplied by the issue price of \$0.03, will equal \$133,334 (being 4,444,467 Shares) (**Tranche 1 Deferred Consideration Shares**);
- (c) that number of Shares which, when multiplied by the issue price of \$0.03, will equal \$66,666 (being 2,222,200 Shares) (**Tranche 2 Deferred Consideration Shares**);
- (d) that number of Shares, when multiplied by the issue price of \$0.03, will be equal to \$133,334 (being 4,444,466 Shares) (**Tranche 3 Deferred Consideration Shares**); and
- (e) that number of Shares which, when multiplied by the issue price of \$0.03, will be equal to \$66,666 (being 2,222,200 Shares) (**Tranche 4 Deferred Consideration Shares**),

(together the **Deferred Consideration Shares**).

The effect of Resolution 3 will be to allow the Company to issue the Deferred Consideration Shares to the non-related party Oresearch Shareholder during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to the Oresearch Agreement, the Company has agreed, subject to obtaining Shareholder approval and satisfaction of the relevant milestones, to issue:

- (a) 3,367,004 Deferred Consideration Shares to Mr Jeremy Read (or his nominee);
- (b) 1,616,160 Deferred Consideration Shares to Mr Adam Davey (or his nominee);
- (c) 3,367,004 Deferred Consideration Shares to Trindis (or its nominee); and
- (d) 3,367,004 Deferred Consideration Shares to M & S Super Investments (or its nominee).

As noted in section 3.2 of this Explanatory Statement, Mr Jeremy Read and Mr Adam Davey are related parties of the Company by virtue of being proposed directors of the Company and Trindis and M & S Super Investments are related parties of the Company by virtue of being entities controlled by proposed directors of the Company.

The issue of the Deferred Consideration Shares to the Related Parties are the subject of Resolutions 4 to 7.

A summary of Chapter 2E of the Corporations Act and ASX Listing Rules 7.1 and 10.11 are set out in sections 3.2, 3.3 and 3.4 of this Explanatory Statement.

## **4.2 ASX Waiver Application**

ASX Listing Rule 7.3.2 provides that if shareholder approval is obtained to an issue of securities pursuant to ASX Listing Rule 7.1, a company will have a period of 3 months after its general meeting where shareholder approval is obtained (or a

longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1 to issue the securities.

Pursuant to ASX Listing Rule 7.3.2, the Deferred Consideration Shares to be issued to the non-related party Oresearch Shareholder the subject of Resolution 3 must be issued within three (3) months from the date of the Shareholder approval.

ASX has granted the Company a waiver from the requirements of ASX Listing Rule 7.3.2 to the extent necessary to permit the Deferred Consideration Shares to be issued to the non-related party Oresearch Shareholder in accordance with their terms, and in any event by no later than 18 months after the date of the Meeting.

ASX Listing Rule 10.13.3 provides that the notice of meeting must (inter alia) state the date by which the entity will issue the securities and that the securities must be issued no later than 1 month after the date of the meeting or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules.

Pursuant to ASX Listing Rule 10.13.3, the Deferred Consideration Shares to be issued to the Related Parties, the subject of Resolutions 4 to 7, must be issued within 1 month from the date of the Shareholder approval.

ASX has granted the Company a waiver from the requirements of ASX Listing Rule 10.13.3 to the extent necessary to permit the Deferred Consideration Shares to be issued to the Related Parties in accordance with their terms, and in any event by no later than 18 months after the date of the Meeting.

The issue of the Deferred Consideration Shares to the Oresearch Shareholders is dependent on the achievement of the relevant milestones (as detailed in section 1.4 of this Explanatory Statement). Accordingly, the effect of Resolutions 3 to 7 will be to allow the Company to issue the Deferred Consideration Shares upon the achievement of the relevant milestones.

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

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Deferred Consideration Shares to be issued is up to 1,616,161;
- (b) the Deferred Consideration Shares will be issued in accordance with their terms (as detailed in section 1.4 of this Explanatory Statement), and in any event by no later than 18 months after the date of the Meeting;
- (c) the Deferred Consideration Shares will be issued for nil cash consideration as they will be issued in consideration for the Oresearch Acquisition;
- (d) the Deferred Consideration Shares will be issued to the non-related party Oresearch Shareholder (or his nominee) in the proportions set out in Schedule 1;
- (e) the Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

- (f) no funds will be raised from the issue as the Deferred Consideration Shares are being issued in consideration for the Oresearch Acquisition.

#### **4.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 4 to 7:

- (a) the Deferred Consideration Shares will be issued to Mr Jeremy Read, Mr Adam Davey, Trindis Pty Ltd and M & S Super Investments Pty Ltd (or their respective nominees);
- (b) the maximum number of Deferred Consideration Shares to be issued is:
  - (i) up to 3,367,004 Deferred Consideration Shares to Mr Jeremy Read (or his nominee);
  - (ii) up to 1,616,160 Deferred Consideration Shares to Mr Adam Davey (or his nominee);
  - (iii) up to 3,367,004 Deferred Consideration Shares to Trindis Pty Ltd (or its nominee); and
  - (iv) up to 3,367,004 Deferred Consideration Shares to M & S Super Investments Pty Ltd (or its nominee);
- (c) the Deferred Consideration Shares will be issued to the Related Parties in accordance with their terms (as detailed in section 1.4 of this Explanatory Statement), and in any event no later than 18 months after the date of the Meeting;
- (d) the Deferred Consideration Shares will be issued for nil cash consideration as they will be issued in consideration for the Oresearch Acquisition;
- (e) the Deferred Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Deferred Consideration Shares are being issued in consideration for the Oresearch Acquisition.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Deferred Consideration Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Deferred Consideration Shares to the Related Parties (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

---

## **5. RESOLUTION 8 – ISSUE OF SHARES TO PACIFIC RIDGE EXPLORATION LTD**

### **5.1 General**

As outlined in section 1.2 of this Explanatory Statement, the Company has entered into the Fyre Lake Agreement, pursuant to which Pacific Ridge Exploration Ltd (a company incorporated in Canada) (**Pacific Ridge**) has granted the Company the exclusive right and option to earn up to an 80% interest in the Fyre Lake Property.

The key terms of the Fyre Lake Agreement are summarised in section 1.5 of this Explanatory Statement.

In order to exercise the First Option and earn an initial 51% interest in the Fyre Lake Property, the Company must, amongst other things, issue Shares to Pacific Ridge to the value of CDN\$50,000 (such value being calculated by using an issue price equal to the 20 day volume weighted average price of Shares in the 20 days immediately prior to the date of issue) on or before 30 September 2014 (being the Initial FL Shares). The issue of these Shares is subject to the Company obtaining all necessary Shareholder, regulatory and third party approvals or waivers to allow the Company to lawfully complete the matters set out in the Fyre Lake Agreement, including obtaining Shareholder approval for the issue of the Shares.

## **5.2 ASX Listing Rule 7.1**

Resolution 8 seeks Shareholder approval for the issue of Shares to Pacific Ridge to the value of CDN\$50,000 in part consideration for the right and option to earn an initial 51% interest in the Fyre Lake Property.

A summary of ASX Listing Rule 7.1 is set out in section 3.4 of this Explanatory Statement.

The effect of Resolution 8 will be to allow the Company to issue Shares to Pacific Ridge to the value of CDN\$50,000 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of Shares to be issued is that number of Shares which, when multiplied by the issue price, equals CDN\$50,000. The exchange rate for the issue of the Shares will be the rate as quoted by, or on behalf of, the Reserve Bank of Australia (or any successor in its obligations) as the purchasing power of AUD1 in CAD as last published prior to the Share issue date;
- (b) the Initial FL Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be the 20 day volume weighted average price of Shares in the 20 trading days immediately prior to the date of issue subject to that price being not less than 80% of the volume weighted average market price for Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed;
- (d) the Initial FL Shares will be issued to Pacific Ridge Exploration Ltd, which is not a related party of the Company;

- (e) the Initial FL Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue as the Initial FL Shares are being issued as part consideration for the right and option to earn an initial 51% interest in the Fyre Lake Property.

The table below shows the number of Shares that may be issued pursuant to Resolution 8, based on the exchange rate and issue price as determined by Section 5.3(a) above as at 26 August 2014. The table also shows the number of Shares that may be issued pursuant to Resolution 8 where there is a 30% increase or decrease to the assumed issue price:

<b>Issue Price</b>	<b>Number of Shares Issued</b>
\$0.051025 (determined as at 26 August 2014)	979,912
\$0.0663325 (30% increase in assumed issue price)	753,779
\$0.0357175 (30% decrease in assumed issue price)	1,399,871

## **6. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **6.1 General**

On 24 February 2014, the Company issued 2,000,000 Shares to Castle Minerals Limited as part consideration for the acquisition of an option to acquire a 100% interest in the tenements that comprise the Antubia Gold Project, located in Ghana.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1 is set out in section 3.4 of this Explanatory Statement.

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

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

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 9:

- (a) 2,000,000 Shares were issued;

- (b) the Shares were issued for nil cash consideration as part consideration for the acquisition of an option to acquire a 100% interest in the tenements comprising the Antubia Gold Project;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Castle Mining Limited, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as part consideration for the acquisition of an option to acquire a 100% interest in the tenements comprising the Antubia Gold Project.

---

## **7. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **7.1 General**

On 30 July 2014, the Company issued 500,000 Shares to Contour Exploration Limited and its associates as part payment of introduction fees for the introduction of the Ghanaian assets to the Company.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

A summary of ASX Listing Rule 7.1 is set out in section 3.4 above and a summary of ASX Listing Rule 7.4 is set out in section 6.1 above.

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

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) 500,000 Shares were issued;
- (b) the Shares were issued as part payment of introduction fees for the introduction of the Ghanaian assets to the Company;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Contour Exploration Limited and its associates. None of these parties are related parties of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as part payment of introduction fees for the introduction of the Ghanaian assets to the Company.



---

## **8. RESOLUTIONS 11 AND 12 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **8.1 General**

On 21 July 2014, the Company announced that it had issued 4,100,000 Shares at an issue price of \$0.03 per Share to raise \$123,000. The Shares were issued as follows:

- (a) 1,450,500 Shares without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1; and
- (b) 2,649,500 Shares without prior Shareholder approval out of its 10% annual placement capacity under ASX Listing Rule 7.1A.

### **8.2 Resolution 11**

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 1,450,500 Shares issued without Shareholder approval pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in section 3.4 of this Explanatory Statement.

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

By ratifying the issue the subject of Resolution 11, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **8.3 Resolution 12**

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 2,649,500 Shares issued without Shareholder approval pursuant to the Company's placement capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the Company's previous annual general meeting held on 29 November 2013.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable "A" in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying the issue the subject of Resolution 12, the base figure (i.e. variable 'A') in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number, which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 11 and 12:

- (a) 4,100,000 Shares were issued on the following basis:
  - (i) 1,450,500 Shares were issued pursuant to ASX Listing Rule 7.1; and
  - (ii) 2,649,500 Shares were issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.03 per Share under both ASX Listing Rule 7.1 and 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to an existing substantial Shareholder and a sophisticated investor. The subscriber was not a related party of the Company; and
- (e) the funds raised from this issue were used to facilitate the acquisition of Oresearch and to enter into the initial stage of the Fyre Lake Agreement.

---

## GLOSSARY

---

**\$** means Australian dollars.

**Acquisition Resolutions** means the inter-conditional resolutions in this Notice being Resolution 1 to 7 (inclusive).

**Additional Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement

**Additional Project** section 1.4 of the Explanatory Statement.

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

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

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

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

**Company** or **Merah** means Merah Resources Limited (ACN 146 035 127).

**Conditions** means the conditions precedent to the Oresearch Agreement, as set out in section 1.4 of this Explanatory Statement.

**Consideration Shares** means the Initial Consideration Shares, the Additional Consideration Shares and the Deferred Consideration Shares.

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

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

**Deferred Consideration Shares** means the Tranche 1 Deferred Consideration Shares, Tranche 2 Deferred Consideration Shares, Tranche 3 Deferred Consideration Shares and Tranche 4 Deferred Consideration Shares.

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

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

**Fyre Lake Agreement** means the letter agreement between the Company and Pacific Ridge, pursuant to which Pacific Ridge has granted the Company an exclusive right and option to earn up to an 80% interest in the Fyre Lake Property, the terms of which are summarised in section 1.5 of the Explanatory Statement.

**Fyre Lake Property** has the meaning given in section 1.2 of the Explanatory Statement.

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

**Initial Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement.

**Initial FL Shares** has the meaning given in section 1.5 of the Explanatory Statement.

**M & S Super Investments** means M & S Super Investments Pty Limited (ACN 098 723 141).

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Oresearch** means Oresearch Limited (ACN 153 505 429).

**Oresearch Acquisition** has the meaning given in section 1.2 of the Explanatory Statement.

**Oresearch Agreement** means the binding terms sheet between the Company, Oresearch and the Oresearch Shareholders, pursuant to which the Company will acquire 100% of the issued share capital of Oresearch, the terms of which are summarised in section 1.4 of the Explanatory Statement.

**Oresearch Shareholders** means the shareholders of Oresearch, as detailed in Schedule 1.

**Pacific Ridge** means Pacific Ridge Exploration Ltd. (a company incorporated in Canada).

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

**Related Parties** means Mr Jeremy Read, Mr Adam Davey, Trindis Pty Ltd and M & S Super Investments Pty Ltd.

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

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

**Shareholder** means a registered holder of a Share.

**Teck** means Teck Australia Pty Ltd (ACN 091 271 911).

**Tranche 1 Deferred Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement.

**Tranche 2 Deferred Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement.

**Tranche 3 Deferred Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement.

**Tranche 4 Deferred Consideration Shares** has the meaning given in section 1.4 of the Explanatory Statement.

**Trindis** means Trindis Pty Ltd (ACN 060 749 788).

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

## SCHEDULE 1 – ORESEARCH SHAREHOLDERS

Oresearch Shareholder	Oresearch Shares held	Initial Consideration Shares	Additional Consideration Shares	Tranche 1 Deferred Consideration Shares	Tranche 2 Deferred Consideration Shares	Tranche 3 Deferred Consideration Shares	Tranche 4 Deferred Consideration Shares	Total
M & S Super Investments Pty Limited	666,667	1,122,340	561,162	1,122,340	561,162	1,122,340	561,162	5,050,506
Trindis Pty Ltd	666,667	1,122,340	561,162	1,122,340	561,162	1,122,340	561,162	5,050,506
Jeremy Read	666,667	1,122,340	561,162	1,122,340	561,162	1,122,340	561,162	5,050,506
Adam Davey	320,000	538,723	269,357	538,723	269,357	538,723	269,357	2,424,240
Chris Doornbos	320,000	538,724	269,357	538,724	269,357	538,723	269,357	2,424,242
<b>TOTAL</b>	<b>2,640,001</b>	<b>4,444,467</b>	<b>2,222,200</b>	<b>4,444,467</b>	<b>2,222,200</b>	<b>4,444,466</b>	<b>2,222,200</b>	<b>20,000,000</b>

## SCHEDULE 2 – PRO FORMA BALANCE SHEET AS AT 31 MAY 2014

### Balance Sheet and Pro Forma Balance Sheet as at 31 May 2014 (unaudited)

	31 May 2014 Unaudited	31 May 2014 Pro Forma
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (1)	189,504	139,305
Other receivables	11,648	11,648
Other assets	2,834	2,834
<b>TOTAL CURRENT ASSETS</b>	<b>203,986</b>	<b>153,986</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	31,404	31,404
Exploration and evaluation expenditure(3)	602,694	1,302,694
Other non-current assets	20,081	20,081
<b>TOTAL NON-CURRENT ASSETS</b>	<b>654,179</b>	<b>1,354,179</b>
<b>TOTAL ASSETS</b>	<b>858,165</b>	<b>1,508,165</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	36,107	36,107
<b>TOTAL CURRENT LIABILITIES</b>	<b>36,107</b>	<b>36,107</b>
<b>TOTAL LIABILITIES</b>	<b>36,107</b>	<b>36,107</b>
<b>NET ASSETS</b>	<b>822,058</b>	<b>1,472,058</b>
<b>EQUITY</b>		
Issued Capital	3,085,254	3,735,254
Reserves	19,017	19,017
Accumulated losses	(2,282,213)	(2,282,213)
<b>TOTAL EQUITY</b>	<b>822,058</b>	<b>1,472,058</b>

### Notes

1. This pro forma contemplates the Acquisition of Oresearch, the initial \$50,000 paid to Pacific Ridge and the issue of the CDN\$50,000 worth of shares to be issued to Pacific Ridge under this Notice of Meeting. The value of the CDN\$50,000 equity consideration issued for the initial shares to Pacific Ridge for the Fyre Lake Project has been assumed using an exchange rate of 1:1 CDN:AU.

## APPOINTMENT OF PROXY FORM

**MERAH RESOURCES LIMITED**  
**ACN 146 035 127**

### GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:** ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00 (WST), on Monday, 29 September 2014 at Merah Resources Limited, Level 2, 79 Hay Street, Subiaco, WA 6008, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Consideration Shares to Oresearch Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Deferred Consideration Shares to Oresearch Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Deferred Consideration Shares to Related Party Oresearch Shareholder – Mr Jeremy Read	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Deferred Consideration Shares to Related Party Oresearch Shareholder – Mr Adam Davey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Deferred Consideration Shares to Related Party Oresearch Shareholder – Trindis Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Deferred Consideration Shares to Related Party Oresearch Shareholder – M & S Super Investments Pty Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares to Pacific Ridge Exploration Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Ratification of Prior Issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Ratification of Prior Issue – Shares Under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Ratification of Prior Issue – Shares Under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:**

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail:** YES ☐ NO ☐

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Merah Resources Limited, Level 2, 79 Hay Street, Subiaco, WA 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 9200 4437; or
  - (c) email to the Company at admin@merahresources.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**