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**HAZELWOOD RESOURCES LIMITED**

**ACN 118 738 999**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11.00am (WST)

**DATE:** 26 November 2014

**PLACE:** Level 1  
33 Ord Street  
West Perth 6005  
Western Australia

*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 9320 5220.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 11.00am on 26 November 2014 at:

Level 1  
33 Ord Street  
West Perth 6005  
Western Australia

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### Your vote is important

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

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### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cwth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 24 November 2014.

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### Voting in person

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

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### Voting by proxy

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

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

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

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

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

Further details on these changes are set out below.

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

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

***"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014."***

**Note:** the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:**

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR FRANK ASHE

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

***"That, for the purposes of Article 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Frank Ashe, a Director who retires by rotation, and being eligible, is re-elected as a Director."***

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4. **RESOLUTION 3 – ELECTION OF DIRECTOR – MR MARK WARREN**

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

*“That, for the purposes of Article 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Mark Warren, a Director who was appointed as an additional Director on 8 September 2014, retires, and being eligible, is elected as a Director.”*

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5. **RESOLUTION 4 - ELECTION OF DIRECTOR – MR PATRICK BURKE**

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

*“That, for the purposes of Article 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Patrick Burke, a Director who was appointed as an additional Director on 8 September 2014, retires, and being eligible, is elected as a Director.”*

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6. **RESOLUTION 5 – NON-EXECUTIVE DIRECTORS’ FEE POOL**

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

*“That, pursuant to Article 13.8 of the Constitution, the maximum amount of Directors’ fees for their services as Directors increase from the present limit of \$150,000 per annum in aggregate to a limit of \$300,000 per annum in aggregate.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast on this Resolution by a Director 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.

**Voting Prohibition Statement:**

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

- (d) the voter is the Chair and the appointment of the Chair as proxy:
- (iii) does not specify the way the proxy is to vote on this Resolution; and
- (iv) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 7. RESOLUTION 6 – RATIFICATION OF THE TRANCHE 1 PLACEMENT

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 42,857,143 Shares and 21,428,572 Options on the terms and conditions set out in the Explanatory Statement.”***

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by 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.

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#### 8. RESOLUTION 7 – RATIFICATION OF THE TRANCHE 2 PLACEMENT

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 14,285,720 Shares and 7,142,860 Options on the terms and conditions set out in the Explanatory Statement.”***

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by 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.

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#### 9. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO ZENIX

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 35,000,000 Options to Zenix Nominees Pty Ltd 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.

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**10. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO SIDERIAN**

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 76,000,000 Options to Siderian Resources Capital Limited 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.

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**11. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ANDREW MCCREA**

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 873,016 Shares to Andrew McCrea 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.

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**12. RESOLUTION 11 – ISSUE OF SHARES TO MR GEORGE CHEN**

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 2,000,000 Shares to Mr George Chen (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 George Chen (and 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.

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**13. RESOLUTION 12 – ISSUE OF OPTIONS TO MR MARK WARREN**

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

***“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Options to Mr Mark***

**Warren (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 Mark Warren (and 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.

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**14. RESOLUTION 13 – ISSUE OF OPTIONS TO MR PATRICK BURKE**

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

***"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 7,500,000 Options to Mr Patrick Burke (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 Patrick Burke (and 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.

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**15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY**

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

***"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."***

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

**Dated: 15 October 2014**

**By order of the Board**



**MS CAROL NEW  
COMPANY SECRETARY**



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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

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

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.hazelwoodresources.com.au](http://www.hazelwoodresources.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

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

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

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

#### 2.2 Voting consequences

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

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

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

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

## 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 2.4 Proxy voting restrictions

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

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

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

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

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

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

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR RETIRING BY ROTATION

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

Article 13.2 of the Constitution requires that at every annual general meeting 1/3 of the Directors other than:

- (a) Directors appointed to fill a casual vacancy under Article 13.4; and
- (b) the Managing Director;

or, if their number is not 3 or a multiple of 3, then the number nearest 1/3 (rounded up), will retire from office and each Director, other than the Managing Director, must retire no later than the third annual general meeting following that Director's appointment.

As at the date of this Notice the Company has 5 Directors although 2 were appointed under Article 13.4 and 1 is the Managing Director, therefore 1 is required to retire by rotation in accordance with Article 13.2.

A Director who retires by rotation under Article 13.2 of the Constitution is eligible for re-election.

Mr Frank Ashe retires by rotation and being eligible each seeks re-election.

Mr Ashe is a Chartered Accountant, commencing his career at a first tier professional services firm in Perth. Having gained experience with resource sector clientele he moved into the mining service and civil sectors developing his skills into broader operational and general management roles including project development/financing and business establishment/development in several countries throughout Latin America and the Caribbean. He has worked directly in senior executive roles for public companies in the primary industry and resources sectors. Mr Ashe provides consulting services to companies in areas of general management and business development mainly in the mining services sector. Mr Ashe does not hold any other directorships.

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#### **4. RESOLUTIONS 3 AND 4 – ELECTION OF DIRECTORS APPOINTED BY THE BOARD**

##### **4.1 Legal requirements**

Article 13.4 of the Constitution allows the Board at any time to appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number permitted by the Constitution.

Pursuant to Article 13.4 of the Constitution and ASX Listing Rule 14.4, any Director appointed by the Board holds office only until the next following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr Mark Warren and Mr Patrick Burke, having both been appointed on 8 September 2014 will each retire in accordance with Article 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, each seeks election from Shareholders

Mr Warren is a mechanical engineer with over 30 years global experience in advisory, executive and technical roles in mining and metals businesses. He brings a breath of experience garnered from working across many commodities and many countries. Of importance to Hazelwood, Mr Warren has experience in smelting and pyrometallurgical operations having commenced his career at the Kalgoorlie Nickel smelter and since been involved in research and development, design, construction and operation of various pyrometallurgical and smelting unit operations businesses including the management of a metals smelting business that was a successful turnaround story providing a profitable trade sale for its shareholders. Mr Warren is Managing Director at Optiro Pty Ltd, a well-regarded consulting and advisory firm where he has been providing independent corporate and strategic advice to Boards and executives of a number of successful listed mining companies. Mr Warren is also the Deputy Chairman of Austmine Limited, the peak body dedicated to the advancement of The Australian Mining Equipment Technology and Services sector of Australia.

Mr Burke holds a Bachelor of Law degree from the University of Western Australia and has extensive legal, commercial and corporate advisory experience for ASX listed companies. He has acted as a Director for a number of ASX and AIM listed small to mid-cap resources companies over the past 10 years. His legal expertise is in corporate, commercial and securities law, with an emphasis on capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, structuring and pricing, negotiation, funding, due diligence and management of process. He contributes general commercial and legal skills along with a strong knowledge of the ASX requirements. He is currently a Non-Executive Director of ASX listed Monto Minerals Limited, Intercept Minerals Limited and Anatolia Energy Limited.

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## 5. RESOLUTION 5 – NON-EXECUTIVE DIRECTORS FEE POOL

Resolution 5 proposes to increase the maximum aggregate amount payable to Non-Executive Directors as fees for their services from \$150,000 to \$300,000 per annum. The current limit of \$150,000 per annum was set in 2006.

The Board considers that it is appropriate and reasonable at this time to seek an increase in the total remuneration pool available to be paid to Non-Executive Directors of the Company. Increasing the maximum aggregate amount payable does not mean that existing Non-Executive Directors will receive immediate fee increases or that any new Director appointment is imminent. Increasing the fee pool available does not mean the whole amount will be used.

An increase in the fee pool will provide scope to retain and appoint additional suitably qualified and experienced Non-Executive Directors in the future and to pay fees which are consistent with market benchmarks. The Board considers that a fee pool of \$300,000 is appropriate for the Company given its size, operations and the jurisdictions in which it operates and will help to enable the Company to attract and retain high calibre non-executive directors.

The fee pool covers all fees for services as a Non-Executive Director including superannuation contributions. The remuneration of the Non-Executive Directors of the Company for the year ended 30 June 2014 is outlined in the Remuneration Report of the Company's 2014 Annual Report.

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## 6. RESOLUTIONS 6 AND 7 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

### 6.1 Background

On 27 May 2014, the Company issued 42,857,143 Shares at \$0.035 per Share and 21,428,572 free attaching unlisted options exercisable at \$0.055 on or before 26 November 2016 (**Placement Options**) to professional and sophisticated investors and clients of Hartleys Limited (**Tranche 1 Placement**). The Tranche 1 Placement satisfied the conditions precedent to the US\$4,000,000 working capital loan facility between the Company and Siderian Resources Capital Limited.

Subsequently, on 17 June 2014, the Company issued a further 14,285,720 Shares and 7,142,860 Placement Options to a client of Hartleys Limited on the same terms as under the Tranche 1 Placement (**Tranche 2 Placement**).

The Company raised an aggregate of \$2,000,000 under the Tranche 1 Placement and Tranche 2 Placement. These funds were used for the acquisition of tungsten feedstock to be used for production at the Company's ATC Ferrotungsten Project in Vietnam, operational expenses and for general working capital.

The 57,142,863 Shares issued under the Tranche 1 Placement and Tranche 2 Placement, were issued under the Company's additional 10% placement capacity under ASX Listing Rule 7.1A. The 28,571,432 Placement Options were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1.

### 6.2 ASX Listing Rule 7.1 and 7.1A

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.

In addition to a company's capacity to issue securities under ASX Listing Rule 7.1A, an eligible entity that has obtained Shareholder approval at its annual general meeting under ASX Listing Rule 7.1A may issue an additional 10% of the number of Shares on issue at the commencement of that 12 month period.

Where an eligible entity has issued equity securities under ASX Listing Rule 7.1A, those equity securities issued will not count towards the base number of Shares on which the 15% and 10% placement capacity is based until that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue).

### **6.3 ASX Listing Rule 7.4**

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

### **6.4 Resolutions 6 and 7**

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 42,857,143 Shares and 21,428,572 Placement Options under the Tranche 1 Placement.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 14,285,720 Shares and 7,142,860 Placement Options under the Tranche 2 Placement.

By ratifying the issue the securities the subject of Resolutions 6 and 7, the Company will:

- (a) 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 and the 10% annual placement capacity set out in ASX Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval; and
- (b) increase the variable upon which the relevant placement capacity is based and therefore further increase the number of securities that may be issued under Listing Rule 7.1 and 7.1A without the requirement to obtain prior Shareholder approval.

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

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the Shares and Placement Options under Resolutions 6 and 7:

- (a) Under the Tranche 1 Placement:
  - (i) 42,857,143 Shares were issued pursuant to ASX Listing Rule 7.1A; and
  - (ii) 21,428,572 Placement Options were issued pursuant to ASX Listing Rule 7.1;
- (b) Under the Tranche 2 Placement:
  - (i) 14,285,720 Shares were issued pursuant to ASX Listing Rule 7.1A; and

- (ii) 7,142,860 Placement Options were issued pursuant to ASX Listing Rule 7.1;
- (c) the Shares were issued at \$0.035 per Share and the Placement Options were free attaching;
- (d) 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;
- (e) the Placement Options were issued on the terms and conditions set out in Schedule 1;
- (f) the Shares and Placement Options were issued to sophisticated and professional investors and clients of Hartleys Limited, none of whom are related parties of the Company; and
- (g) the Company used the funds raised from the Tranche 1 Placement and Tranche 2 Placement towards the acquisition of tungsten feedstock used for production at the Company's ATC Ferrotungsten Project in Vietnam, operational expenses and for general working capital.

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## **7. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO ZENIX**

### **7.1 General**

The Company engaged the services of Hartleys to act as lead manager and broker in relation to the Tranche 1 and Tranche 2 Placement. In consideration for Hartleys acting as lead manager and broker, the Company agreed to pay Hartleys a brokerage fee of 6%, and issue 35,000,000 Placement Options.

On 27 May 2014, the Company issued 35,000,000 Placement Options to Zenix Nominees Pty Ltd (Hartleys' nominee) in part consideration for the services provided by Hartleys.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 35,000,000 Placement Options to Zenix Nominees Pty Ltd.

A summary of ASX Listing Rule 7.1 and 7.4 is set out above at sections 6.2 and 6.3 of the Explanatory Statement.

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 8:

- (a) 35,000,000 Placement Options were issued;
- (b) the Placement Options were issued for nil cash consideration in satisfaction of corporate advisory and brokerage services provided by Hartleys Limited;
- (c) the Placement Options were issued on the terms and conditions set out in Schedule 1;

- (d) the Placement Options were issued to Zenix Nominees Pty Ltd (Hartleys' nominee), who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Placement Options as they were issued in consideration for services provided by Hartleys Limited.

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## **8. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF OPTONS TO SIDERIAN**

### **8.1 General**

As announced on 25 February 2014 and 19 May 2014 the Company and Siderian have entered into a US\$4,000,000 working capital loan facility agreement that has ability to increase to \$US6,000,000 (**Working Capital Facility**).

On 27 May 2014, the Company issued Siderian 76,000,000 Placement Options in consideration for Siderian providing the Working Capital Facility.

If the Working Capital Facility is increased to \$US6,000,000 then the Company will have to obligation to issue Siderian a further 38,000,000 Placement Options in consideration for the uplift.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 76,000,000 Placement Options to Siderian.

A summary of ASX Listing Rule 7.1 and 7.4 is set out above at sections 6.2 and 6.3 of the Explanatory Statement.

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.

### **8.2 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) 76,000,000 Placement Options were issued;
- (b) the Placement Options were in consideration for Siderian providing the Working Capital Facility;
- (c) the Placement Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Placement Options were issued to Siderian Resources Capital Limited, who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Placement Options as they were issued in consideration for the provision of the Working Capital Facility.

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## **9. RESOLUTION 10 – RATIFICATION OF PRIOR ISSUE OF SHARES TO ANDREW MCCREA**

### **9.1 General**

On 6 August 2014, the Company issued 873,016 Shares to Andrew McCrea in satisfaction of fees owed for marketing and promotional services provided.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 873,016 Shares to Andrew McCrea.

A summary of ASX Listing Rule 7.1 and 7.4 is set out above at sections 6.2 and 6.3 of the Explanatory Statement.

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.

## 9.2 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) 873,016 Shares were issued;
- (b) the Shares were issued in satisfaction of fees owed to Andrew McCrea for marketing and promotional services provided;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (d) the Shares were issued to Andrew McCrea, who is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued in satisfaction of fees owed to Andrew McCrea for marketing and promotional services provided.

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## 10. RESOLUTION 11 – ISSUE OF SHARES TO MR GEORGE CHEN

### 10.1 General

Pursuant to Resolution 11 the Company is seeking Shareholder approval for the issue of up to 2,000,000 Shares to Mr George Chen (or his nominee).

In March 2010, the Company entered into an option deed with Mr Chen, under which the Company was granted an option (which was subsequently exercised) to purchase 60% of the shares in ATC HK (**Option Deed**). In part consideration for the Company acquiring its 60% interest in ATC HK, the Company agreed to issue Mr Chen 1,000,000 Shares upon the completion of construction of the ferro-tungsten production facility in Vietnam owned by ATC Vietnam (**Production Facility**).

In May 2010 the Company and ATC HK entered into an Executive Service Agreement with Mr Chen, under which Mr Chen was appointed President of ATC HK and ATC Vietnam (**Executive Services Agreement**). Under the Executive Services Agreement, the Company agreed to issue Mr Chen a further 1,000,000 Shares upon the completion of the Production Facility.

Construction of the Production Facility is now completed, and the Company is seeking Shareholder approval under Resolution 11 for the issue of 2,000,000 Shares in accordance with the Option Deed and Executive Services Agreement. The agreements restrict Mr Chen from disposing of the Shares for a period of 12 months.

A summary of ASX Listing Rule 7.1 is set out in section 6.2 above.



The effect of Resolution 11 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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

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

- (a) the maximum number of Shares to be issued is 2,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be issued for nil consideration in accordance with the Option Deed and the Executive Services Agreement.
- (d) the Shares will be issued to Mr George Chen or his nominee;
- (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 raised will be raised from the issue of the Shares.

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## **11. RESOLUTION 12 – ISSUE OF OPTIONS TO MR MARK WARREN**

### **11.1 General**

Pursuant to Resolution 12 the Company is seeking Shareholder approval for the issue of up to 10,000,000 Incentive Options to Mr Mark Warren (or his nominee).

On 8 September 2014 the Company, Ibiz Global Pty Ltd <Varenne Trust> and Mr Warren entered into a Consultancy Services Agreement, under which Mr Warren was appointed Non-Executive Chairman of the Company. Under the Consultancy Services Agreement, the Company agreed, subject to Shareholder approval, to issue Mr Warren, or his nominee, 10,000,000 Incentive Options.

### **11.2 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 Incentive Options will constitute the giving of a financial benefit and Mr Warren is a related party of the Company by virtue of being a recently appointed Director.

The Directors (other than Mr Warren who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Incentive Options because the Consultancy Services Agreement was negotiated and entered into on an arm's length basis before Mr Warren became a Director, and as such the giving of the financial benefit is on arm's length terms.

### **11.3 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.

As the issue involves the issue of Incentive Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **11.4 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 the Participation:

- (a) The Incentive Options will be issued to Mr Warren (or his nominee);
- (b) the maximum number of Incentive Options to be issued is 10,000,000;
- (c) the Incentive Options will be issued no later than 1 month 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 Incentive Options will occur on the same date;
- (d) the Incentive Options will be issued for nil cash consideration in accordance with the terms of the Consultancy Services Agreement;
- (e) the Incentive Options will be issued on the terms and conditions set out in Schedule 2;
- (f) no funds raised will be raised from the issue of the Incentive Options.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to Mr Warren (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **12. RESOLUTION 13 – ISSUE OF OPTIONS TO MR PATRICK BURKE**

### **12.1 General**

Pursuant to Resolution 13 the Company is seeking Shareholder approval for the issue of up to 7,500,000 Incentive Options to Mr Patrick Burke (or his nominee).

On 8 September 2014 the Company and Mr Burke entered into a Letter of Appointment, under which Mr Burke was appointed a Non-Executive Director of the Company. Under the Letter of Appointment, the Company agreed, subject to Shareholder approval to issue Mr Burke, or his nominee, 7,500,000 Incentive Options.

## **12.2 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 Incentive Options will constitute the giving of a financial benefit and Mr Burke is a related party of the Company by virtue of being a recently appointed Director.

The Directors (other than Mr Burke who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Incentive Options because the Letter of Appointment was negotiated and entered into on an arm's length basis before Mr Burke became a Director, and as such the giving of the financial benefit is on arm's length terms.

## **12.3 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.

As the issue involves the issue of Incentive Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **12.4 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 the Participation:

- (a) The Incentive Options will be issued to Mr Burke (or his nominee);
- (b) the maximum number of Incentive Options to be issued is 7,500,000;
- (c) the Incentive Options will be issued no later than 1 month 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 Incentive Options will occur on the same date;
- (d) the Incentive Options will be issued for nil cash consideration in accordance with the terms of the Letter of Appointment;
- (e) the Incentive Options will be issued on the terms and conditions set out in Schedule 2;
- (f) no funds raised will be raised from the issue of the Incentive Options.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to Mr Burke (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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### 13. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

#### 13.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 14, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 13.2).

The effect of Resolution 14 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 14 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 14 for it to be passed.

#### 13.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation as at 8 October 2014 of \$32,831,239, based on the closing price of \$0.027.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### **13.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 14:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 13.3(b), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0135 50% decrease in Issue Price	\$0.027 Issue Price	\$0.054 100% increase in Issue Price
1,215,971,816 (Current Variable A)	Shares issued - 10% voting dilution	121,597,181 Shares	121,597,181 Shares	121,597,181 Shares
	Funds raised	\$1,641,562	\$3,283,124	\$6,566,248
1,823,957,724 (50% increase in Variable A)	Shares issued - 10% voting dilution	182,395,772 Shares	182,395,772 Shares	182,395,772 Shares
	Funds raised	\$2,462,343	\$5,284,686	\$10,569,372
2,431,943,632 (100% increase in Variable A)	Shares issued - 10% voting dilution	243,194,363 Shares	243,194,363 Shares	243,194,363 Shares
	Funds raised	\$3,283,124	\$6,566,248	\$13,132,496

The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. Variable A assumes that there are currently 1,215,971,816 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 8 October 2014.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1 or 7.1A.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for its Vietnam Tungsten Smelter, for further feasibility and exploration work on its Australian mineral assets, for the acquisition of new resources assets and investments and for general working capital;
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including/excluding previously announced acquisitions and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3. The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities; or
- (iii) as non-cash consideration for the acquisition of a further interest in Asia Tungsten Products Co Pty Ltd as part of the non cash consideration and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3. The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2013 (**Previous Approval**).

The Company has issued 57,142,863 Equity Securities pursuant to the Previous Approval.

The total net amount of Equity Securities issued in the 12 month period was 364,409,685 representing approximately 36% of the total diluted number of Equity Securities on issue in the Company on 29 November 2013, being 1,011,133,563.

Information relating to issues of Equity Securities by the Company in the 12 months prior to 31 October 2014 are as follows:



Date of Issue	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds  If issued for non-cash consideration – a description of the consideration and the current value of the consideration
4 December 2013	131,578,950	Fully paid ordinary shares <sup>2</sup>	Institutional and sophisticated investors	\$0.038 per share. 15% discount	\$5,000,000. Funds raised were used to increase production at the Company's ferrotungsten plant in Vietnam and for working capital.
24 December 2013	15,000,000	Options exercisable at \$0.05 on or before 30 November 2015	Institutional and sophisticated investors	Nil	Issued in consideration for a \$3,500,000 loan as disclosed in the Notice of Annual General Meeting dated 22 October 2013. Value under Black and Scholes: \$0.008915 per option.
	23,868,422	Fully paid ordinary shares <sup>2</sup>	Existing shareholders	\$0.038 per share. 15% discount	\$907,000. Funds raised were used to increase production at the Company's ferrotungsten plant in Vietnam and for working capital.
27 May 2014	76,000,000	Options exercisable at \$0.055 on or before 27 November 2016	Siderian	Nil	Issued in consideration for US\$4,000,000 Working Capital Facility referred to in section 8.1. Value under Black and Scholes: \$0.00712 per option.
	35,000,000	Options exercisable at \$0.055 on or before 27 November 2016	Zenix	Nil	Issued in consideration for corporate advisory and brokerage services. Value under Black and Scholes: \$0.00712 per option.
	42,857,143	Fully paid ordinary shares <sup>2</sup>	Institutional and sophisticated investors	\$0.35 per share. No discount	\$1,500,000. Funds raised were used for production at the Company's ATC Ferrotungsten Project in Vietnam, operational expenses and for general working capital.
	21,428,572	Options exercisable at \$0.055 on or before 27 November 2016	Institutional and sophisticated investors	Nil	Issued as free attaching options as referred to in section 6.1
17 June 2014	14,285,720	Fully paid ordinary shares <sup>2</sup>	Institutional and sophisticated investors	\$0.35 per share. No discount	\$500,000. Funds raised were used for production at the Company's ATC Ferrotungsten Project in Vietnam, operational expenses and for general working capital.
	7,142,860	Options exercisable at \$0.055 on or before 27 November 2016	Institutional and sophisticated investors	Nil	Issued as free attaching options as referred to in section 6.1
6 August 2014	873,016	Fully paid ordinary shares <sup>2</sup>	Andrew McCrea	Nil.	Issued in satisfaction of fees owed for promotional and marketing services

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises).
2. Fully paid ordinary shares in the capital of the Company, ASX Code: PVD (terms are set out in the Constitution).

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

## 13.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

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

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

**ATC HK** means Asia Tungsten Products Co Limited, being the Company's 60% owned Hong Kong subsidiary.

**ATC Vietnam** means Asia Tungsten Products Vietnam Limited, a company registered in Vietnam and 100% owned by ATC HK.

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

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

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*.

**Company** means Hazelwood Resources Limited (ACN 118 738 999).

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

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

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

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

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

**Hartleys** means Hartleys Limited (ACN 104 195 057).

**Incentive Options** means an Option to acquire a Share on the terms and conditions set out in Schedule 2.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**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.

**Placement Options** means an Option to acquire a Share on the terms and conditions set out in Schedule 1.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

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

**Section** means a section of the Explanatory Statement.

**Siderian** means Siderian Resources Capital Limited

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

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

**Variable A** means "A" as set out in the calculation in Section 13.2.

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

**Zenix** means Zenix Nominees Pty Ltd ACN 107 391 902.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

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- (a) **Entitlement**  
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**  
Subject to paragraph j, the amount payable upon exercise of each Option will be \$0.055 (**Exercise Price**).
- (c) **Expiry Date**  
Each Option will expire at 5:00 pm (WST) on 27 November 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**  
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**  
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**  
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of allotment of Shares on exercise**  
Within 5 Business Days of receipt of a Notice of Exercise and the Exercise Price, the Company will allot the Shares the subject of the Notice of Exercise.
- (h) **Shares issued on exercise**  
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Shares issued on exercise**  
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued with 10 Business Days after the date of allotment of those Shares.
- (j) **Reconstruction of capital**  
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **Participation in new issues**  
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) **Change in exercise price**  
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **Unquoted**  
The Company will not apply for quotation of the Options on ASX.
- (n) **Transferability**  
The Options are transferable.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

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- (a) **Entitlement**  
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**  
Subject to paragraph j, the amount payable upon exercise of each Option will be the amount equal to 145% of the closing price of the Shares on the ASX on the date of grant (**Exercise Price**).
- (c) **Expiry Date**  
Each Option will expire at 5:00 pm (WST) on the third anniversary of the date of grant (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**  
The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**  
The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**  
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of allotment of Shares on exercise**  
Within 5 Business Days of receipt of a Notice of Exercise and the Exercise Price, the Company will allot the Shares the subject of the Notice of Exercise.
- (h) **Shares issued on exercise**  
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Shares issued on exercise**  
If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued with 10 Business Days after the date of allotment of those Shares.
- (j) **Reconstruction of capital**  
If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **Participation in new issues**  
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (l) **Change in exercise price**  
An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **Unquoted**  
The Company will not apply for quotation of the Options on ASX.
- (n) **Transferability**  
The Options are transferable.

## APPOINTMENT OF PROXY FORM

HAZELWOOD RESOURCES LTD  
ACN 118 738 999

### 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 11am (WST), on 26 November 2014 at Level 1, 33 Ord Street, West Perth, Western Australia 6005, 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 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Mr Frank Ashe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Director – Mr Mark Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Director – Mr Patrick Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Non-Executive Directors' Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Ratification of Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Ratification of Prior Issue of Options to Zenix	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Ratification of Prior Issue of Options to Siderian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Ratification of Prior Issue of Shares to Andrew McCrea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Issue of Shares to Mr George Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Issue of Options to Mr Mark Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 Issue of Options to Mr Patrick Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 Approval of 10% Placement Capacity	<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 Hazelwood Resources Ltd, PO Box 2647, Malaga WA 6944; or
  - (b) facsimile to the Company on facsimile number (+61 8) 9320 5299,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.**