
SIRIUS RESOURCES NL

ACN 009 150 083

NOTICES OF MEETING

Annual General Meeting of Shareholders

TIME: 1:00 pm (WST)

DATE: Thursday 27 November 2014

PLACE: Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth WA 6000

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 6241 4200

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 1:00 pm (WST) on Thursday 27 November 2014 at:

Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth WA 6000

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 5:00 pm (WST) on 25 November 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

ORDINARY BUSINESS

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 Directors' Report, the Remuneration Report and the auditor's report.

1. 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:

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

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – TERRY GRAMMER

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

"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Terry Grammer, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ANNA NEULING

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

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Anna Neuling, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – ISSUE OF SHARE APPRECIATION RIGHTS TO RELATED PARTY – MR MARK BENNETT

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue Share Appreciation Rights to Mark Bennett (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

5. RESOLUTION 5 – ISSUE OF SHARE APPRECIATION RIGHTS TO RELATED PARTY – MS ANNA NEULING

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue Share Appreciation Rights to Anna Neuling (or her nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion in respect of Resolutions 4 to 5: The Company will disregard any votes cast on Resolution 4 to 5 by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 in respect of Resolutions 4 to 5:

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 4 to 5 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or*
 - (ii) a Closely Related Party of such a member; and**
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.*

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and*
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

Dated: 23 October 2014

By order of the Board

A handwritten signature in black ink, appearing to be 'ANe', with a horizontal line extending to the right.

Anna Neuling
Director and 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.

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.siriusresources.com.au.

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, a 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:

If you appoint a member of the 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 as your proxy

You must direct your proxy how to vote on this Resolution. 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.

If you appoint the Chair as your proxy (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) or if you appoint any other person as your proxy you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS – TERRY GRAMMER AND ANNA NEULING

3.1 Constitution and Listing Rule requirements

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.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 7 Directors and accordingly 2 must retire.

Each of Terry Grammer and Anna Neuling, being the Directors longest in office since their last election, retires by rotation and seeks re-election.

3.2 Corporate Governance

The Company's Remuneration and Nomination Committee (**REMC**) was formed in July 2013 and operates under the Remuneration and Nomination Committee Charter. The REMC is responsible for periodically reviewing the structure and balance of the Board and making recommendations regarding appointments, retirement and terms of office of directors. The Remuneration and Nomination Committee Charter is available on the "Corporate Governance" page of the Company's website, www.siriusresources.com.au, and includes details of (amongst other things) the role and responsibilities, composition and structure of the REMC.

The Remuneration and Nomination Committee Charter requires the REMC to make appropriate background checks prior to recommending a candidate to the Board for election or re-election as a director. The REMC must identify and recommend candidates only after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after an assessment of how the candidate can contribute to the strategic direction of the Company.

The Company's Corporate Governance Plan requires that all material information relevant to whether or not to elect or re-elect a director is provided to the Company's shareholders as part of the Notice of Meeting and explanatory statement for the relevant meeting of shareholders which addresses the election or re-election of a director.

The Board confirms that the appropriate reviews have been conducted in accordance with its obligations under the Corporate Governance Plan. The Board (excluding Mr Grammer) recommends that Mr Grammer be re-elected as a Director by Shareholders. The Board (excluding Ms Neuling) recommends that Ms Neuling be re-elected as a Director by Shareholders. The Board also confirms that all material information relevant to whether or not to re-elect Mr Grammer and Ms Neuling has been provided to Shareholders previously.

4. RESOLUTIONS 4 TO 5 – ISSUE OF SHARE APPRECIATION RIGHTS TO RELATED PARTIES – MR MARK BENNETT AND MS ANNA NEULING

4.1 General

In 2013, the Company put in place a Long Term Incentive Plan. This involved working closely with Pricewaterhouse Coopers as external advisers to provide advice on how the overall design of the Company's revised remuneration policy and framework compares with market practice. The Long Term Incentive Plan was approved by Shareholders at the Company's 2013 Annual General Meeting.

Also at the Company's 2013 Annual General Meeting, the Company sought and obtained Shareholder approval to grant Share Appreciation Rights (**SARs**) to Ms Anna Neuling and Mr Mark Bennett pursuant to the Long Term Incentive Plan. These SARs were granted by the Company in June 2014.

The Company has now agreed, subject to obtaining Shareholder approval, to issue SARs (**Related Party Appreciation Rights**) to Mr Mark Bennett and Ms Anna

Neuling (**SAR Related Parties**) (or their respective nominee/s) on the terms and conditions set out below.

4.2 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.

Without an exception, the issue of the Related Party Appreciation Rights to the SAR Related Parties requires Shareholder approval because:

- (a) the issue of the Related Party Appreciation Rights constitutes giving a financial benefit; and
- (b) the SAR Related Parties are related parties of the Company by virtue of being Directors.

The Directors (other than the SAR Related Parties who have a material personal interest in the outcome of Resolutions 4 to 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Appreciation Rights because of the exception in Section 211 of the Corporations Act which provides an exception for a benefit that is remuneration to an officer of a public company where to give the remuneration is reasonable in the circumstances of the company and the officer (including the responsibilities involved in such office).

4.3 Remuneration policy for long term incentives to be granted to executives

The Company's remuneration policy for long term incentives to be granted to executives is discussed in detail in the Company's annual financial report for the financial year ending 30 June 2014.

In summary, as part of the remuneration policy and framework for executives, the Board has approved the following principles, which will apply for grants of long term incentives:

- (a) they are to be granted annually and will be subject to a maximum percentage threshold amount of fixed remuneration; and
- (b) their vesting will be subject to performance measured against longer term internal and external performance measures (i.e. vesting conditions), measured at the end of a three year vesting period.

As set out in Section 4.1, the Company issued various long term incentives in the financial year ending 30 June 2014.

4.4 Key terms of initial long term incentives to be granted to executives for the financial year ending 30 June 2015

The key terms for the initial long term incentives, as resolved by the Board on 5 September 2014 to be granted to executives, subject to regulatory approvals and Shareholder approval of Resolutions 4 to 5, are as follows:

- (a) a maximum long term incentive dollar value equal to 30% of fixed remuneration for direct reports to the Managing Director and 100% of fixed remuneration for the Managing Director;
- (b) the long term incentives will be granted as Share Appreciation Rights under the Long Term Incentive Plan to be approved by Shareholders pursuant to Resolutions 4 to 5;
- (c) the number of Share Appreciation Rights to be granted will be determined by dividing the long term incentive dollar value of the Share Appreciation Rights by the fair value of the Share Appreciation Right (whichever is applicable); and
- (d) the Share Appreciation Rights will be valued at the 30 day volume weighted average price (**VWAP**) at the time of allocation.

4.5 Calculation of value of Share Appreciation Rights

The long term incentives resolved by the Board on 5 September 2014 to be granted to the SAR Related Parties, subject to regulatory approvals and Shareholder approval of Resolutions 4 to 5, have been calculated in accordance with the framework summarised in Section 4.4 and as set out below.

The fixed remuneration of the SAR Related Parties is as follows:

- (a) Ms Anna Neuling – \$258,000 (part time equivalent of \$430,000) (exclusive of superannuation); and
- (b) Mr Mark Bennett – \$767,225 (exclusive of superannuation),

and the long term incentive dollar value has been set at the maximum level permitted under the new remuneration framework of 100% of this figure for the Managing Director and 30% of this figure for the Executive Director, being:

- (c) Ms Anna Neuling – \$77,400; and
- (d) Mr Mark Bennett – \$767,225,

and, subject to Shareholder approval under Resolutions 4 to 5, Share Appreciation Rights will be issued which vest at the end of a three year vesting period.

The quantity of Share Appreciation Rights to be issued will be determined by dividing the long term incentive dollar value of those rights by the 30 day VWAP as at 30 June 2014 being the start date of the vesting period as approved by the Board.

Mr Mark Bennett

Performance Hurdle	Weighting	\$Value	Quantity
1	50%	\$383,612	121,013
2	50%	\$383,613	121,014
TOTAL	100%	\$767,225	242,027

Ms Anna Neuling

Performance Hurdle	Weighting	\$Value	Quantity
1	50%	\$38,700	12,208
2	50%	\$38,700	12,208
TOTAL	100%	\$77,400	24,416

1 – Total Shareholder Return (TSR) based on VWAP over 3 years in comparison to the ASX 200 Resources Index. 50% of the relevant grant vests at the 50th percentile, 100% vests at or above the 75 percentile and for each percentile above the 50th percentile and below the 75th percentile, an additional 2% of the relevant grant will vest.

2 – Completion of the Nova mine development on budget and production of nickel concentrate from the Nova underground mine by 30 June 2017.

The initial market value set by the Company for the purposes of calculating the quantity of Shares that may be issued at the time of conversion of the Share Appreciation Rights has been set at \$3.17 (being 30 day VWAP as at 30 June 2014 being the start date of the vesting period as approved by the Board, subject to regulatory approvals and Shareholder approval of Resolutions 4 to 5).

The Board acknowledges that as at the date of this Notice, the Shares are trading on ASX at a price lower than this value, however, it notes the formula for calculating this initial market value was set as the start date of the vesting period as approved by the Board,

4.6 ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the issue of the Related Party Appreciation Rights involves the issue of securities under an employee incentive scheme to a Director, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

4.7 Technical information required by ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 4 to 5:

- (a) the related parties are Mr Mark Bennett and Ms Anna Neuling and they are related parties of the Company by virtue of being Directors;

- (b) the maximum number of Related Party Appreciation Rights to be issued to the SAR Related Parties (or their nominee/s) is as follows:
 - (i) 24,416 Share Appreciation Rights to Ms Anna Neuling; and
 - (ii) 242,027 Share Appreciation Rights to Mr Mark Bennett.

The maximum number of Shares issued upon conversion of the Related Party Appreciation Rights is dependent on the satisfaction of the performance hurdles and the ratio at which they convert (i.e. the formula set out in Schedule 1, which will be at a rate of less than 1:1);

- (c) the Related Party Appreciation Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Related Party Appreciation Rights or the subsequent issue of Shares (if any). Accordingly, no funds will be raised from the issue or vesting of the Related Party Appreciation Rights;
- (d) the Company has previously issued the following SARs to the following parties (Shareholder approval of which was received at the Company's 2013 Annual General Meeting):
 - (i) 32,936 Share Appreciation Rights to Ms Anna Neuling (issued in June 2014 for nil cash consideration); and
 - (ii) 326,479 Share Appreciation Rights to Mr Mark Bennett (issued in June 2014 for nil cash consideration).
- (e) as at the date of this Notice, the SAR Related Parties are the only people declared by the Board to be eligible to be issued Share Appreciation Rights under the Long Term Incentive Plan that is covered by ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) as the Related Party Appreciation Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Related Party Appreciation Rights or the subsequent issue of Shares (if any) no loan will be provided by the Company to the SAR Related Parties in relation to the issue of the Related Party Appreciation Rights;
- (g) it is expected that the Related Party Appreciation Rights will be issued to the SAR Related Parties as soon as practicable after Shareholder approval is obtained and in any event no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Appreciation Rights will be issued on one date; and
- (h) the terms and conditions of the Share Appreciation Rights are set out in Schedule 1.

GLOSSARY

\$ means Australian dollars.

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

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.

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 this definition.

Company means Sirius Resources NL (ACN 009 150 083).

Constitution means the Company's constitution.

Control has the same meaning in section 50AA of the Corporations Act.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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 the annual general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Directors' 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.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – KEY TERMS OF SHARE APPRECIATION RIGHTS

The key terms of the Share Appreciation Rights are as follows:

- (a) **Offer:** The Board is solely responsible for determining the terms and conditions of Share Appreciation Rights offered under the Long Term Incentive Plan and any offer to an Eligible Employee will include as a minimum:
- (i) the number and type of Share Appreciation Rights;
 - (ii) the issue date and expiry date;
 - (iii) the consideration payable (if any);
 - (iv) in the case of a Share Appreciation Right, the Initial Market Value;
 - (v) any conditions related to vesting, performance hurdles and/or exercise;
 - (vi) any disposal restrictions attaching to the Share Appreciation Rights and/or Shares issued following the exercise of a Share Appreciation Right; and
 - (vii) any rights attaching to the Share Appreciation Rights and/or Shares issued following the exercise of a Share Appreciation Right.
- (b) **Rights:** Share Appreciation Rights do not entitle the holder to notice of, or to vote or attend at, a meeting of Shareholders, or, receive any dividends declared by the Company.
- (c) **Transferability:** Share Appreciation Rights may not be assigned, transferred, encumbered, or otherwise disposed of unless the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, encumbrance or disposal as the Board sees fit, or, such assignment or transfer occurs by force of law upon the death of the holder of those Share Appreciation Rights to that holder's legal personal representative.
- (d) **Share Appreciation Right:**
- (i) Equity settlement

A right to be issued and/or transferred (as determined by the Board in its sole and absolute discretion) that number of Shares (rounded down to the nearest whole Share) calculated as follows:

$$A = \frac{(B-C)}{B} \times D$$

Where:

- A** is the number of Shares to be issued or transferred to the relevant participant in settlement Share Appreciation Rights.
- B** is the Subsequent Market Value.
- C** is the Base Price.

D is the total number of Share Appreciation Rights with the same Base Price held by the relevant participant to be settled by equity settlement at exercise.

(ii) Cash settlement

$$A = (B - C) \times D$$

Where:

A is the monetary amount to be paid to the relevant participant in settlement of the Share Appreciation Rights.

B is the Subsequent Market Value.

C is the Base Price.

D is the total number of Share Appreciation Rights with the same Base Price held by the relevant participant to be settled by cash settlement at exercise.

(e) **Quotation:** Unless otherwise determined by the Board in its sole and absolute discretion, Share Appreciation Rights granted under the Long Term Incentive Plan will not be quoted on the ASX or any other recognised exchange, however, if the Shares are listed on ASX the Company must apply for official quotation of those Shares issued, or transferred, in relation to the exercise of a Share Appreciation Right within the time required by the ASX Listing Rules.

(f) **Shares:** Any Shares issued, or transferred, in relation to the exercise of a Share Appreciation Right will rank equally with all existing Shares on and from the date of issue or transfer subject to any disposal restrictions notified at the time of the offer of the Share Appreciation Right. Shares, or any beneficial or legal interest in Shares, may not be transferred, encumbered or otherwise disposed of unless all restrictions on the transfer, encumbrance or disposal of the Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

(g) **Lapse:** If the conditions related to vesting, performance hurdles and/or exercise are not satisfied by the specified time, the Share Appreciation Rights will lapse and the holder will have no entitlement/right to any Shares or other benefit associated with the Share Appreciation Rights.

(h) **Change of Control:** On the occurrence of a Change of Control Event, the Board will determine, in its sole and absolute discretion, the manner in which all unvested Share Appreciation Rights and vested Share Appreciation Rights in respect of which an Exercise Condition has not been satisfied or waived at that time will be dealt with, including without limitation, exercising its discretion to allow a holder of Share Appreciation Rights to exercise these Share Appreciation Rights to participate in any transaction arising from the Change of Control Event.

(i) **Alterations to capital:** Subject to the Listing Rules and other applicable law, if the Company makes any new issue of Securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital (including consolidation, sub-division, reduction, return or cancellation of capital), the Board may in its discretion make adjustments to a participant's awards (including, without limitation, to the number of Share

Appreciation Rights and/or Performance Rights (as relevant) to which a participant is entitled, and/or the vesting conditions and/or the performance hurdles and/or other conditions, and/or, in respect of Share Appreciation Rights, the Base Price) on any basis it sees fit to minimise any advantage or disadvantage accruing to the participant as a result of such corporate actions or alterations to capital.

- (j) **Participation rights:** Share Appreciation Rights do not entitle the holder to participate in any new issue of Securities of the Company.
- (k) **Amendment:** The Board may at any time amend the rules of the Long Term Incentive Plan or the terms and conditions upon which any Share Appreciation Rights have been issued, including the timing of when such amendments take effect, whether retrospectively, immediately or in the future. Notice of any such amendments will be given to any holder of Share Appreciation Rights affected by the amendments. However, no such amendment may be made if the amendment materially reduces the rights of any holder of Share Appreciation Rights issued to them prior to the date of the amendment, other than an amendment introduced primarily:
 - (i) for the purposes of complying with or conforming to present or future legislation governing or regulating the Long Term Incentive Plan or like plans;
 - (ii) to correct any manifest error or mistake;
 - (iii) to allow the implementation of a trust arrangement in relation to the holding of Shares issued under the Long Term Incentive Plan;
 - (iv) for the purpose of complying with applicable laws; and/or
 - (v) to take into consideration possible adverse taxation implications in respect of the Long Term Incentive Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation,

unless otherwise agreed to in writing by the holder of the Share Appreciation Rights.

Sirius Resources NL

ABN 46 009 150 083

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 730 821
(outside Australia) +61 3 9946 4473

000001 000 SIR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 1.00pm (WST) Tuesday, 25 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sirius Resources NL hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sirius Resources NL to be held at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia on Thursday, 27 November 2014 at 1.00pm (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re- Election of Director - Terry Grammer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re- Election of Director - Anna Neuling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Share Appreciation Rights to Related Party - Mr Mark Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Share Appreciation Rights to Related Party - Ms Anna Neuling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

S I R

1 9 0 8 3 9 A

Computershare +