

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (**General Meeting**) of the shareholders of **ALT Resources Limited** (ACN 168 928 416) (the **Company**) will be held at 12:00 noon (Sydney Time) on 15th March 2017 at Australian Institute of Company Directors, Business Centre and Members Lounge, Level 1, 20 Bond Street Sydney NSW.

The following relate to the General Meeting of Shareholders:

- Notice of meeting for the General Meeting, including the Explanatory Memorandum; and
- Proxy Form.

If you are attending the General Meeting in Sydney and have not lodged a Proxy Form, please bring the Proxy Form with you to assist with registration.

If you are not attending the General Meeting in Sydney, you can lodge a completed Proxy Form enclosed in the contained return envelope and sending to the Company by Australia Post, or alternately by facsimile to +61 2 6451 4611 or by email to info@altresources.com.au.

Please be aware that Proxy Forms need to be received by the Company by no later than 12:00 noon (Sydney Time) on 13th March 2017. Further details on lodging your Proxy Forms can be found on the reverse side of the Proxy Form.

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

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.

BUSINESS OF THE EXTRAORDINARY GENERAL MEETING

AGENDA

RESOLUTION 1: APPROVAL TO ISSUE 1,000,000 SHARES TO 2020 ACCOUNTANCY SOLUTIONS PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following 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 1,000,000 Shares, to 2020 Accountancy Solutions Pty Ltd (or its nominee), an entity controlled by Mr William Ellis, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ellis, his nominee and any of his associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 2: APPROVAL TO ISSUE 250,000 SHARES AND 500,000 OPTIONS TO RELATED PARTY – CLIVE BUCKLAND

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company for the issue 250,000 Shares and 500,000 Options, to Mr Clive Buckland (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Buckland, his nominee and any of his associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 3: APPROVAL TO ISSUE 250,000 SHARES AND 500,000 OPTIONS TO RELATED PARTY – WILLIAM ELLIS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company for the issue 250,000 Shares and 500,000 Options, to Mr William Ellis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ellis, his nominee and any of his associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 4: APPROVAL TO ISSUE 250,000 SHARES AND 500,000 OPTIONS TO RELATED PARTY – NEVA COLLINGS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company for the issue 250,000 Shares and 500,000 Options, to Ms Neva Collings (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ms Collings, her nominee and any of her associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 5: APPROVAL TO ISSUE 1,500,000 SHARES AND 2,000,000 OPTIONS TO RELATED PARTY – JAMES ANDERSON

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 for the issue 1,500,000 Shares and 2,000,000 Options, to James Anderson (or his nominee), on the terms and conditions set out in the Explanatory Statement, and in accordance with ASX Listing Rule 10.11 which requires the approval of holders of the Company’s ordinary securities.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by James Anderson, his nominee and any of his associates. 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 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 this 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 this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated 10 February 2017

By order of the Board

A handwritten signature in blue ink, appearing to read 'Clive Buckland', is written over a light blue circular stamp.

Mr Clive Buckland
Company Secretary

IMPORTANT INFORMATION

Your vote is important

The business of the General 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 7:00pm (Sydney Time) on 13th March 2017.

Voting In Person

To vote in person, attend the General Meeting on the date and the 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.

EXPLANATORY STATEMENT

The Explanatory Memorandum has been prepared to assist shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

1. **RESOLUTION 1: APPROVAL TO ISSUE 1,000,000 SHARES TO THE NOMINEE OF 2020 ACCOUNTANCY SOLUTIONS PTY LTD**

1.1 **General**

Pursuant to the engagement entered into between the Company and 2020 Accounting Solutions Pty Ltd (ACN 006 746 738) (**2020**), a company controlled by Mr William Ellis (**Service Agreement**) 2020 provides accountancy services to the Company.

The Company has agreed, subject to obtaining Shareholder approval, to issue 1,000,000 Shares (**Related Party Shares**) to 2020 (or its nominee) as a fee for accountancy services provided to the Company for the period 1 July 2015 to 31 December 2016, on the terms and conditions set out below.

Resolution 1 seeks Shareholder approval for the issue of the Related Party Shares to 2020 (or its nominee).

1.2 **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 Related Party Shares constitutes giving a financial benefit and 2020 is a related party of the Company by virtue of being controlled by Mr Ellis, a Director.

The Directors (other than Mr Ellis 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 Related Party Shares because the Service Agreement was negotiated on an arm's length basis.

The Directors (other than Mr Ellis who has a material personal interest in the Resolution, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

1.3 **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 of the Related Party Shares involves the issue of securities 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.

1.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 1:

- (a) The Related Party Shares will be issued to 2020 Accountancy Solutions Pty Ltd (or its nominee);
- (b) The number of Related Party Shares to be issued is 1,000,000;
- (c) The Related Party Shares 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 Related Party Shares will occur on the same date;
- (d) The shares will be issued at a deemed issue price of 8 cents (\$0.08) per Related Party Share;
- (e) The Related Party 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;
- (f) The Related Party Shares will be for nil consideration and accordingly no funds will be raised;

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to 2020 (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2. RESOLUTIONS 2, 3, AND 4: ISSUE OF SHARES AND OPTIONS TO RELATED PARTIES – DIRECTORS' REMUNERATION AND SHORT TERM INCENTIVE

2.1 General

On 20 January 2017 the Company executed the following revised agreements:

- (a) Executive Service Agreements with:
 - (i) Executive Director and Chairman, Mr William Ellis; and
 - (ii) Executive Director and Company Secretary, Mr Clive Buckland; and

- (b) Non-Executive Letter of Appointment with Non-Executive Director and Legal Counsel, Ms Neva Collings;

(together the **Revised Agreements**).

Pursuant to the terms of the Revised Agreements, subject to obtaining Shareholder approval, the Company will issue an aggregate 750,000 Shares and 1,500,000 Options (**Related Party Securities**) to Mr Clive Buckland, Mr William Ellis and Ms Neva Collings (or their nominees) (**Related Parties**) on the terms and conditions set out below.

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 the Related Party Securities constitutes giving a financial benefit and Mr Buckland, Mr Ellis and Ms Collings are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Related Party Securities to the Related Parties.

2.2 Information required by Listing Rule 10.13

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Securities:

- (a) The Related Party Securities will be issued to Director's Mr William Ellis, Mr Clive Buckland and Ms Neva Collings;
- (b) The maximum number of Related Party Securities (being the nature of the financial benefit being provided) to be issued to the Related Parties is:
 - (i) 250,000 Shares and 500,000 Options to Mr Buckland (or his nominee);
 - (ii) 250,000 Shares and 500,000 Options to Mr Ellis (or his nominee); and

- (iii) 250,000, Shares and 500,000 Options to Ms Collings (or her nominee);
- (c) The Related Party Securities will be issued on a date which will be 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 Related Party Securities will occur on the same date;
- (d) 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;
- (e) The Shares will be issued at a deemed issue price of 8 cents (\$0.08) per Share;
- (f) The terms and conditions of the Options are set out in Schedule 1;
- (g) The value of the Options and the pricing methodology is set out in Schedule 2;
- (h) The Related Party Securities will be for no consideration and accordingly no funds will be raised by the issue of the Related Party Securities;
- (i) the existing relevant interests and voting power of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options	Voting Power (%)
Clive Buckland	522,500 ¹	Nil.	0.58
William Ellis	890,500 ²	Nil.	0.98
Neva Collings	1,815,500 ³	Nil.	2.00

Notes

- 1. 440,000 Shares are subject to escrow until 23 December 2017.
- 2. 890,500 Shares are subject to escrow until 23 December 2017.
- 3. 1,726,100 Shares are subject to escrow until 23 December 2017.

- (j) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Clive Buckland	\$91,000 ¹	\$54,842
William Ellis	\$125,000 ²	\$83,369
Neva Collings	\$80,000 ³	\$18,646

Notes

- 1. Mr Buckland's proposed remuneration and emoluments includes:

- a) \$25,000 Director's Fee;
 - b) \$26,000 Company Secretary Retainer; and
 - c) the following equity based remuneration subject to Shareholder approval pursuant to Resolution 2:
 - i) 250,000 Shares at a deemed issue price of \$0.08 (total deemed value of \$20,000); and
 - ii) 500,000 Options on terms and conditions set out in Schedule 1 (total value of \$20,000 – refer to Schedule 2).
2. Mr Ellis' proposed remuneration and emoluments includes:
- a) \$25,000 Director's Fee;
 - b) \$60,000 Chairman's Salary; and
 - c) The following equity based remuneration subject to Shareholder approval pursuant to Resolution 3:
 - i) 250,000 Shares at a deemed issue price of \$0.08 (total deemed value of \$20,000); and
 - ii) 500,000 Options on terms and conditions set out in Schedule 1 (total value of \$20,000 – refer to Schedule 2).
3. Ms Collings' proposed remuneration and emoluments includes:
- a) \$25,000 Director's Fee;
 - b) \$15,000 Legal Counsel Retainer; and
 - c) The following equity based remuneration subject to Shareholder approval pursuant to Resolution 4:
 - i) 250,000 Shares at a deemed issue price of \$0.08 (total deemed value of \$20,000); and
 - ii) 500,000 Options on terms and conditions set out in Schedule 1 (total value of \$20,000 – refer to Schedule 2).

(k) the following Shares are to be issued pursuant to Resolutions 1 to 5:

- (i) 1,000,000 Shares are to be issued to 2020 Accounting Solutions Pty Ltd (an entity controlled by Mr Ellis) pursuant to Resolution 1;
- (ii) an aggregate 750,000 Shares to Mr Buckland, Mr Ellis and Ms Collings and a further 1,500,000 Shares upon the exercise of the Options granted to Mr Buckland, Mr Ellis and Ms Collings pursuant to Resolution 2, 3 and 4; and
- (iii) 1,500,000 Shares to Mr Anderson and a further 2,000,000 Shares upon the exercise of the Options granted to Mr Anderson pursuant to Resolution 5,

which will increase the number of Shares on issue from 90,819,383 to 97,569,383 (assuming no other Shares are issued and all Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 7.43%, comprising 1.93% by Mr Ellis, 0.83% by Mr Buckland, 0.83% by Ms Collings and 3.85% by Mr Anderson;

(l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
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Highest	0.19	02/05/16 25/04/16 - 29/04/16 20/04/16 - 22/04/16
Lowest	0.083	14/09/16
Last	0.10	02/02/2017

- (m) the Board acknowledges the issue of Related Party Securities to Mr Ellis, Mr Buckland and Ms Collings is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Related Securities to Mr Ellis, Mr Buckland and Ms Collings reasonable in the circumstances for the reason set out in paragraph (p);
- (n) the issue of the Related Party Securities is to me made pursuant to the Revised Agreements between the Related Parties and the Company. The Shares to be issued form part of the remuneration package paid to each Related Party, while the Options represent the short term incentive;
- (o) the issue of the Related Party Securities to the Related Parties pursuant to the Revised Agreements represents an increase in the remuneration package for the Related Parties while preserving the Company's cash;
- (p) Mr Buckland declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that Mr Buckland is to be issued Related Party Securities in the Company should Resolution 2 be passed. However, in respect of Resolutions 3 and 4, Mr Buckland recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the issue of Related Party Securities to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the issue of the Related Party Securities is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Securities upon the terms proposed;
- (q) Mr Ellis declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that Mr Ellis is to be issued Related Party Securities in the Company should Resolution 3 be passed. However, in respect of Resolutions 2 and 4, Mr Ellis

recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);

- (r) Ms Collings declines to make a recommendation to Shareholders in relation to Resolution 4 due to her material personal interest in the outcome of the Resolution on the basis that Ms Collings is to be issued Related Party Securities in the Company should Resolution 4 be passed. However, in respect of Resolutions 2 and 3, Ms Collings recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p);
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Securities to be issued as well as the issue price of those Related Party Securities; and
- (t) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2 to 4.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Securities to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

3. RESOLUTION 5: APPROVAL TO ISSUE 1,500,000 SHARES AND 2,000,000 OPTIONS TO RELATED PARTY – JAMES ANDERSON

3.1 General

On 20 January 2017, the Company renewed an executive service agreement with Mr Phillip James Anderson, pursuant to which the Company agreed to re-appoint Mr Anderson as Chief Executive Officer (**CEO**) of the Company (**Executive Service Agreement**).

Pursuant to clause 4.5 of the Executive Service Agreement, Mr Anderson is entitled to receive 1,500,000 Shares with a deemed value of 8 cents (0.08) per Share, as a retention payment with the Shares vesting to Mr Anderson on 15 March 2017.

Pursuant to clause 4.6 of the Executive Services Agreement, Mr Anderson is entitled to receive a short term incentive (**STI**), consisting of:

- (a) a cash payment of \$50,000 on 1 July 2017;
- (b) a cash payment of \$50,000 on 1 July 2018; and
- (c) the issue of 2,000,000 Options issued on the terms and conditions set out in Schedule 1.

Pursuant to clause 4.7 of the Executive Service Agreement, Mr Anderson is entitled to receive a revised Long Term Incentive (**LTI**) which was originally granted pursuant to the terms of the original executive service agreement entered into between Mr Anderson and the Company on 1 June 2014. The

LTI consists of a \$500,000 cash payment or the number of Shares equal to \$500,000 calculated at the volume weighted average price of Shares over the five (5) trading days immediately prior to 1 July 2016. Any issue of the LTI is to be determined by the Board taking into account various milestones associated with exploration results. The Board has full discretion and may vary its decision whether or not to grant the LTI to Mr Anderson. Based on the Company's current financial position the Board has confirmed that it has no current intention to grant the LTI to Mr Anderson.

The Company has agreed, subject to obtaining Shareholder approval, to issue the 1,500,000 Shares and 2,000,000 Options (**Related Party Securities**) to Mr James Anderson (or his nominee) pursuant to the terms of the Executive Services Agreement on the terms and conditions set out below.

Resolution 5 seeks Shareholder approval for the issue of the related Party Securities to Mr James Anderson (or his nominee).

The Directors (other than Ms Collings who has a material personal interest in the Resolution) recommend that Shareholders vote in favour of this Resolution.

3.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 1.2 above.

The issue of Related Party Securities constitutes giving a financial benefit and Mr James Anderson is a related party of the Company by virtue of being the spouse of Ms Neva Collings, a Director.

The Directors (other than Ms Collings 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 Related Party Securities because the agreement to issue the Related Party Securities, reached as part of the remuneration package for Mr James Anderson, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

3.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 1.3 above.

3.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5.

- (a) The Related Party Securities will be issued to Mr Anderson (or his nominee);
- (b) The maximum number of Related Party Securities Shares to be issued is
 - (i) 1,500,000 Shares; and
 - (ii) 2,000,000 Options;

- (c) The Related Party Securities will be issued on a date which will be 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 Related Party Securities will occur on the same date;
- (d) 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;
- (e) The Shares will be issued at a deemed issue price of 8 cents (\$0.08) per Share;
- (f) The terms and conditions of the Options are set out in Schedule 1;
- (g) The Related Party Securities will be issued for no consideration and accordingly no funds will be raised by the issue.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to Mr James Anderson (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.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited or the securities exchange market operated by it, as the context requires

ASX Listing Rules or Listing Rules means the Listing Rules of ASX

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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 ALT Resources Limited (ACN 168 928 416).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Extraordinary General Meeting or Meeting means the meeting convened by 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 meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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.

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

Shareholder means a registered holder of a Share.

Sydney Time means Eastern Standard Time as observed in Sydney, New South Wales.

SCHEDULE 1 - OPTION TERMS AND CONDITIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be 140% of the Share price (as quoted on the ASX) on the date of issue of the Options (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date three (3) years from the date of issue of the Options (**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 issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **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.

(j) **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.

(k) **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.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – VALUATION OF OPTIONS

The Options to be issued to the Related Parties pursuant to Resolutions 2, 3, and 4 have been valued by internal management.

Using the Black & Scholes option mode and based on the assumptions set out below, the Options to be issued to the Related Parties were ascribed the following value:

Assumptions:	
Valuation date	02/02/2017
Market price of Shares	0.10
Exercise price	0.14 cents
Expiry date (length of time from issue)	02/02/2020
Risk free interest rate	5%
Volatility (discount)	75%
Indicative value per Related Party Option	4 cents
Total Value of Related Party Options	\$60,000
Clive Buckland	\$20,000
William Ellis	\$20,000
Neva Collings	\$20,000

Note:

The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.



All Correspondence to:

✉ **By Mail** Alt Resources Limited
PO Box 787
Jindabyne NSW 2627 Australia

📠 **By Fax:** +61 2 6451 4611

☎ **By Phone:** (within Australia) 1300 660 001
(outside Australia) +61 2 6451 4659

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (Sydney Time) on 13 March 2017.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the security holder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received before **12:00pm (Sydney Time) on 13 March 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged as follows:

📠 By Fax	+61 2 6451 4611
✉ By Mail	PO Box 787 Jindabyne NSW 2627
💻 By e-mail	info@altresources.com.au

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Alt Resources Limited

ABN 57 168 928 416

Investor ID:

Registered Securityholder:

Address:

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Alt Resources Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the a General Meeting of the Company to be held at **Australian Institute of Company Directors, Business Centre and Members Lounge, level 1, 20 Bond Street, Sydney, New South Wales 2000 on Wednesday, 15 March 2017 at 12:00pm (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 2, 3, 4 & 5. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 2, 3, 4 & 5 are connected with the remuneration of a member of the key management personnel for the Company

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval to issue 1,000,000 Shares to 2020 Accountancy Solutions Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue 250,000 Shares and 500,000 Options to Related Party Clive Buckland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue 250,000 Shares and 500,000 Options to Related Party William Ellis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue 250,000 Shares and 500,000 Options to Related Party Neva Collings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue 1,500,000 Shares and 2,000,000 Options to Related Party James Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017