

**GB ENERGY LIMITED**  
**ACN 118 758 946**

**NOTICE OF GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

For the General Meeting to be held  
on 21 August 2017 at 10.00am (WST) at  
HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.

## **TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE**

### **Venue**

The General Meeting of the Company will be held at:

HLB Mann Judd  
Level 4  
130 Stirling Street  
Perth, Western Australia 6000

Commencing  
10.00am (WST)  
Monday, 21 August 2017

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10.00am (WST) on Monday, 21 August 2017.

### **Voting by Proxy**

This Proxy Form (and Power of Attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 19 August 2017. Proxy Forms may be lodged:

- online at [www.advancedshare.com.au](http://www.advancedshare.com.au);
- by post to Advanced Share Registry PO Box 1156, Nedlands, Western Australia, 6909;
- by hand to Advanced Share Registry 110 Stirling Hwy Nedlands, Western Australia, 6009;
- by facsimile to fax number +61 8 9262 3723;
- by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

so that it is received not later than 10.00am (WST) on 19 August 2017.

**GB ENERGY LIMITED**  
**ACN 118 758 946**  
**NOTICE OF GENERAL MEETING**

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Notice is hereby given that the General Meeting of the Shareholders of GB Energy Limited will be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia at 10.00am (WST) on 21 August 2017 for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**RESOLUTION 1: APPROVAL TO CHANGE OF SCALE OF ACTIVITIES**

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

*"That, subject to Resolutions 2 to 4 and 6 and 7 being passed, for the purposes of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to change the scale of its activities by exercising the Kalia Option and undertaking the Kalia Transaction on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**RESOLUTION 2: APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO KALIA SHAREHOLDERS**

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

*"That, subject to Resolutions 1, 3 to 4 and 6 and 7 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to:*

- (a) 1,000,000,000 Shares;*
- (b) 250,000,000 Class A Performance Shares;*
- (c) 250,000,000 Class B Performance Shares; and*
- (d) 250,000,000 Class C Performance Shares,*

*to the Kalia Shareholders or their nominees on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who is to receive securities the subject of this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **RESOLUTION 3: CREATION OF NEW CLASS OF SECURITIES – PERFORMANCE SHARES**

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

*"That, subject to Resolutions 1, 2, 4, 6 and 7 being passed, for the purposes of section 246B of the Corporations Act, rule 2.2 of the Constitution and for all other purposes, approval is given for the Company to issue the Class A Performance Shares, the Class B Performance Shares and the Class C Performance Shares on the terms and conditions set out in the Explanatory Statement."*

### **RESOLUTION 4: APPOINTMENT OF DIRECTOR NOMINATED BY KALIA – DAVID JOHNSTON**

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

*"That, subject to Resolutions 1 to 3, 6 and 7 being passed, for the purpose of rule 7.2(c) of the Constitution and for all other purposes, David Johnston offers himself for appointment, and in the event of Completion, is hereby appointed as a Director of the Company from the date of Completion in accordance with the Constitution."*

### **RESOLUTION 5: RATIFICATION OF TRANCHE 1 PLACEMENT SHARES TO UNRELATED PARTIES**

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

*"That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 135,893,374 Shares in respect of a placement to unrelated parties on the terms set out in the Explanatory Statement accompanying this Notice."*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) 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
- (b) 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.

## **RESOLUTION 6: APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTIES**

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

*"That, subject to Resolutions 1 to 4 and 7 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 39,106,626 Shares to unrelated parties in respect of a placement on the terms set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 7: APPROVAL TO ISSUE SHARES AS A FURTHER CAPITAL RAISING TO UNRELATED PARTIES**

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

*"That, subject to Resolutions 1 to 4 and 6 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000,000 Shares to unrelated parties in respect of a further capital raising on the terms set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **RESOLUTION 8: APPROVAL TO ISSUE ADVISER OPTIONS TO UNRELATED PARTIES**

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 250,000,000 Adviser Options to unrelated parties on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) 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
- (b) 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.

## RESOLUTION 9: CHANGE OF COMPANY NAME

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

*"That, subject to the exercise of the Kalia Option, for the purposes of section 157(1)(a) and for all other purposes, approval is given for the name of the Company to be changed to Kalia Limited."*

## VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 19 August 2017 at 4.00pm (WST).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Mrs Anna MacKintosh  
Company Secretary

Dated: 17 July 2017

## GB ENERGY LIMITED

ACN 118 758 946

### EXPLANATORY STATEMENT

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

#### 1. OVERVIEW

##### 1.1 Background to Kalia Option and Kalia Transaction

On 20 March 2017 the Company announced that it had entered into a binding Terms Sheet where the Company is granted an option to acquire an interest in Kalia. Kalia is the parent company of Papua New Guinean registered subsidiary, Kalia Investments Limited (for the purposes of this Explanatory Statement, a reference to Kalia will either be Kalia or the Kalia subsidiary). Kalia holds contractual rights to explore for minerals in the Tinputz district of North Bougainville, Papua New Guinea which is prospective for gold, copper and other minerals. The area over which Kalia holds contractual rights is known as the Tore Project.

The Terms Sheet is executed with the Kalia Shareholders other than the Additional Vendor (being 21 of the 22 shareholders) and provides the Company with an option to acquire 72.29% of Kalia. The Company has made an offer to the Additional Vendor on the same terms as the offers made to the other Kalia shareholders under the Terms Sheet. It is intended that this offer will expire 48 hours after GBX exercises the Option. If accepted by the Additional Vendor, the Company will have the option to acquire 100% of Kalia.

In the event that the Company exercises the Kalia Option, the transaction consideration to be issued by the Company at completion includes 722,891,566 Shares to the current 21 accepting Kalia Shareholders on a pro-rata basis. In the event that the Additional Vendor accepts the Additional Vendor Offer, the Company will issue an additional 277,108,434 Shares to the Additional Vendor, such that the total Shares to be issued to the 22 Kalia Shareholders, on a pro-rata basis, will be 1,000,000,000 Shares.

Additionally, at completion the Company will issue 250,000,000 Class A Performance Shares, 250,000,000 Class B Performance Shares and 250,000,000 Class C Performances Shares to the major shareholder of Kalia or his nominee. Further details on the consideration to be issued by the Company is set out in Section 1.3.

A moratorium on exploration and mining over most of Bougainville (including the Tore Project area) has been in place since 1971. On 28 April 2017, the President of the Autonomous Bougainville Government (ABG) publicly announced the date for receiving applications for three areas within Bougainville. One of the areas where applications can be made is the Tore Project area. On 9 May 2017, the ABG Department of Mineral and Energy Resources started accepting applications for Exploration Licences in the three areas. Kalia lodged applications for the Tore Project area on 19 June 2017 and the applications were registered on that date.

Kalia has signed a binding deed of agreement with Toremana Resources Ltd, an approved land owner organisation under the *Bougainville Mining Act 2015* comprised of 7 local clans that represent customary land owners. The deed of agreement provides for a joint venture, whereby Kalia holds a 75% joint venture interest and Toremana holds a 25% joint venture interest which is free carried through to production. Further details of this arrangement are noted at Section 1.4 below.

If the Company exercises the Kalia Option in the circumstance where the Additional Vendor has not accepted the Additional Vendor Offer (and the Company thereby acquires 72.29% of Kalia), the Company will have an indirect interest in the joint venture with Toremana representing a 54.21% economic interest.

If the Company exercises the Kalia Option in the circumstance where the Additional Vendor has accepted the Additional Vendor Offer (and the Company thereby acquires 100% of Kalia), the Company will have an indirect interest in the joint venture with Toremana representing a 75% economic interest.

## **1.2 Change in Activities**

Assuming the exercise of the Kalia Option, the Company will obtain a downstream/indirect interest in the Tore Project.

Undertaking the Kalia Transaction will result in a significant expansion of the Company's resource exploration activities. The Company will engage additional technical staff and commence a new exploration program in a new jurisdiction. This will require increased expenditure and logistical complexity, including the establishment of a forward operating camp in Bougainville. Operations in Bougainville will also require expansion of the Company's social and political advocacy efforts. Resolution 1 seeks Shareholder approval to exercise the Kalia Option and undertake the Kalia Transaction, which is required by ASX under Listing Rule 11.1.2 (change to activities).

## **1.3 Key Terms of the Kalia Option and Kalia Transaction**

The key terms of the binding Terms Sheet are:

- (a) The Company is granted an option for a period as extended to 18 September 2017 to acquire the shares of the Kalia Shareholders other than the Additional Vendor, which represents 21 of the 22 shareholders. The Additional Vendor has waived any pre-emptive rights in order to give effect to the Kalia Option.
- (b) In the event that the Company exercises the Kalia Option, completion of the sale and purchase of their Kalia Shares will occur within 5 business days or such other period agreed between the parties.
- (c) At completion, the Company will issue consideration securities as follows:
  - (i) 722,891,566 Shares to be issued pro-rata to the Kalia Shareholders other than the Additional Vendor in accordance with Schedule 1. In the event that the Additional Vendor accepts the Additional Vendor Offer, the Company will issue a total of 1,000,000,000 Shares to the Kalia Shareholders pro-rata in accordance with Schedule 1. The difference being that 277,108,434 additional Shares will be issued by the Company to the Additional Vendor;
  - (ii) 250,000,000 Class A Performance Shares will be issued to Nik Zuks (the major shareholder of Kalia) or his nominee;
  - (iii) 250,000,000 Class B Performance Shares will be issued to Nik Zuks or his nominee; and
  - (iv) 250,000,000 Class C Performance Shares will be issued to Nik Zuks or his nominee.

The terms of the Performance Shares are set out in Schedule 3.



- (d) The material conditions precedent that must be satisfied or waived prior to the exercise of the Kalia Option and completion are:
  - (i) Completion of financial, legal and technical due diligence by Kalia on the Company's business and operations.
  - (ii) Completion of financial, legal and technical due diligence by the Company on Kalia's business and operations.
  - (iii) The Company obtaining all necessary shareholder approvals as required to give effect to the transactions completed by the Terms Sheet (which the Company is seeking by this Notice).
  - (iv) The Company completing the Further Capital Raising (being the capital raising the subject of Resolution 7).
- (e) From completion, the board of GBX will be reconstituted so that 2 nominees nominated in writing by Kalia may be appointed to the board of GBX (subject to any necessary shareholder approval). See Resolution 4 in this regard where Kalia is presently nominating 1 Director to the board of GBX.
- (f) Each of Nik Zuks as the major vendor and the Company have provided warranties to each other consistent with a transaction of this nature. Any claim pursuant to a warranty is subject to the relevant party being notified within 12 months of the date of the Terms Sheet.
- (g) The Company has agreed to lend \$600,000 to Kalia on an interest free and unsecured basis. This loan has been made by the Company to Kalia as announced on 20 March 2017. Kalia has agreed to spend the loan sum on advancing the Tore Project. The loan funds are repayable on the earlier of 3 months notice by GBX that it will not exercise the Kalia Option, any insolvency event of Kalia, and 16 October 2017.
- (h) Each Kalia Shareholder (except the Additional Vendor) has warranted that it will not infringe the takeovers prohibition (20%) in section 606 of the Corporations Act by being issued Shares at completion of the Kalia Transaction. Thereby, no Kalia Shareholder has or will have a relevant interest in 20% or more of the Shares in the Company. As such, the Company is not seeking shareholder approval pursuant to Item 7 of Section 611 of the Corporations Act for the issue of the Shares.

#### 1.4 Kalia Profile and Bougainville Opportunity

Kalia holds contractual rights to explore for minerals in the Tinputz district of North Bougainville, Papua New Guinea which is prospective for gold, copper and other minerals. A moratorium on exploration and mining over most of Bougainville (including the Tore Project area) has been in place since 1971.

On 28 April 2017, the President of the Autonomous Bougainville Government (ABG) publicly announced the date for receiving applications for three areas within Bougainville. One of the areas where applications can be made is the Tore Project area. On 9 May 2017, the ABG Department of Mineral and Energy Resources started accepting applications for Exploration Licences in the three areas. Kalia lodged applications for the Tore Project area on 19 June 2017 and the applications were registered on that date.

Kalia has signed a binding deed of agreement with Toremana Resources Ltd (**Toremana**), an approved land owner organisation under the *Bougainville Mining Act 2015* comprised of 7 local clans that represent customary land owners. The deed of agreement provides for a joint venture, whereby the Kalia subsidiary holds a 75% joint venture interest and Toremana holds a 25% joint venture interest which is free carried through to production.

Under the deed of agreement, Kalia will be responsible for funding the exploration, mining and development, while the customary landowners will sign any necessary consents or other documents necessary to expedite the grant of necessary reconnaissance, exploration or other licenses, leases or tenements. Kalia and Toremana have prepared boundaries for two Exploration License Applications covering an area of approximately 1,704km<sup>2</sup> (see below).

## 1.5 Kalia Project Area

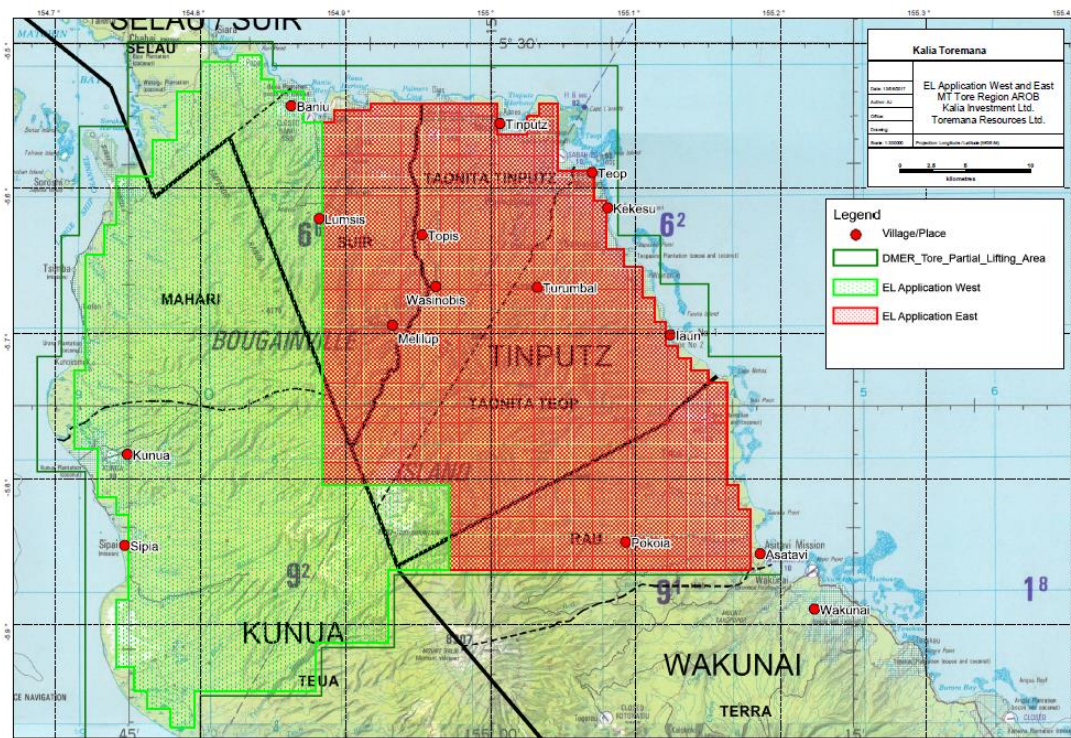


Figure 1: Map of Kalia Exploration Licence Applications

Bougainville represents a unique resource opportunity, with 9,300 square kilometres of target rich geology. Data produced over 25 years ago suggests there is potential in the Tore region for multiple deposits with up to 7 different styles of mineralisation. Modelling of this historical data has further enhanced the prospectivity with all indications (geological, geochemical, geophysical and structural) that there will be potential for major discoveries made once systematic, modern exploration is undertaken.

The geology of the Tinputz (or Tore) region is dominated by andesites, diorites and granodiorites, similar to the Crown Prince Range and Panguna. Copper mineralisation at Panguna was identified in 1961 as porphyry-style and additional porphyry copper and epithermal mineralisation was identified throughout the island of Bougainville by Rogerson et al (1989)<sup>1</sup>, including within the Tore Project area.

Four intrusive granodiorites have been identified in the area of interest within the Emperor Range, with malachite and massive sulphides common on the ridges.

Historical exploration in the region has included mapping, limited stream sediment sampling and airborne geophysical surveys. GBX has not yet been able to verify these historical results. GBX will report further in relation to the historical results once work has been completed in accordance with the JORC Code 2012.

Kalia and Toremana have already identified a site near Tinputz that will be suitable for the location of an office, accommodation, logistics base, sample management centre and storage facilities.

<sup>1</sup> The Geology and Mineral Resources of Bougainville and Buka Islands, Papua New Guinea, Rogerson et al 1989

Kalia intends to develop its operations compound at Tinputz and will establish infrastructure to maintain a modern exploration camp including power, water and internet.

Over the next 24 months Kalia and Toremana propose to pursue ongoing data recovery and target identification, including target sampling, infill stream sediment sampling, river spoil sampling, soil mapping, wide spaced soil sampling and rock chip sampling. This development plan will also include geophysics, drilling, metallurgical studies, and combining all collected data to produce exploration targets for various geological deposit models.

*The information in this Notice that relates to Exploration Results is based on information reviewed by Mr Nick Burn who is an employee of the Company and is a director of the Company. Mr Burn is a member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation, the types of deposits under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australia Code for Reporting of Exploration Results. Mr Burn consents to the inclusion of the information in the form and context in which it appears.*

## 1.6 Capital Raisings

The Company intends to undertake 2 capital raising placements associated with the Kalia Transaction.

The first capital raising is a 2 tranche placement to raise up to \$700,000. The first tranche to raise \$543,573 has been completed (Resolution 5). The second tranche is subject to Shareholder approval and will raise \$156,427 (Resolution 6).

The second capital raising is the Further Capital Raising which is subject to Shareholder approval (Resolution 7). Up to 250,000,000 Adviser Options may be issued in connection with the Further Capital Raising (see Resolution 8).

The securities the subject of the capital raisings will be issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act.

## 1.7 Indicative Use of Funds

Set out below is an expenditure budget as to how the Company intends to use the funds from the capital raisings associated with the Kalia Transaction in the 12 months following Completion.

This budget is indicative only and is subject to change.

<b>Funds available</b>	<b>\$</b>
Second tranche placement (Resolution 6)	156,427
Further Capital Raising (Resolution 7)	1,600,000 <sup>1</sup>
<b>Total</b>	<b>1,756,427</b>

<b>Use of Funds</b>	
Kalia Transaction costs	150,000
Tore Project exploration	800,000
Existing Projects	400,000
General Working Capital and corporate administration	406,427
<b>Total</b>	<b>1,756,427<sup>1</sup></b>

<sup>(1)</sup> The ASX Listing Rules require the Company to set a minimum price for the Further Capital Raising. This price was initially set at 0.8 cents per Share. The Company expects the Further Capital Raising to be undertaken at a price in excess of this price, subject to market conditions. Further, assuming the market conditions remain strong, the Company would expect to raise further funds in addition to the Further Capital Raising. As an example, in the event the Further Capital Raising was completed at a price of 2 cents per Share, the Company would raise \$4 million, in which the use of funds would alter accordingly.

## 1.8 Proposed Timetable

Set out below is an estimate of the timing of events relevant to the exercise of the Kalia Option and the completion of the Kalia Transaction.

Event	Date
Execution of binding Terms Sheet for Kalia Transaction	20 March 2017
Announcement of Kalia Transaction	20 March 2017
Completion of first tranche placement (Resolution 5)	27 March 2017
Meeting of Shareholders	21 August 2017
Completion of second tranche placement (Resolution 6)	approximately 23 August 2017
Completion of Further Capital Raising (Resolution 7)	pre-18 September 2017
Last day for exercise of Kalia Option	18 September 2017
Completion under the Terms Sheet including issue of GBX vendor securities and appointment of a Director nominated by Kalia Shareholders (subject to exercise of the Kalia Option)	within 5 business days of exercise of the Kalia Option

## 1.9 Effect of the Kalia Transaction on the Company

### (a) Pro-forma capital structure

The proposed capital structure of the Company following completion of the Kalia Transaction including the associated capital raisings is set out below.

This is presented both on the basis of the Additional Vendor not accepting the Additional Vendor Offer (and GBX acquiring 72.29% of Kalia) and the Additional Vendor accepting the Additional Vendor Offer (and GBX acquiring 100% of Kalia).

**Assuming the Additional Vendor does not accept the Additional Vendor Offer (and GBX therefore acquires 72.29% of Kalia)**

	Shares	Options	Performance Shares
Current (including Tranche 1 Placement)	1,058,849,199	58,000,000	-
Tranche 2 Placement (Resolution 6)	39,106,626	-	-
Further Capital Raising (Resolution 7) and Adviser Options (Resolution 8)	200,000,000 <sup>(1)</sup>	250,000,000 <sup>(2)</sup>	-

	Shares	Options	Performance Shares
Consideration under the Kalia Transaction (Resolution 2)	722,891,566	-	750,000,000 <sup>3</sup>
<b>Total (on completion of the Acquisition)</b>	<b>2,020,847,391</b>	<b>308,000,000</b>	<b>750,000,000</b>
<b>Total (on a fully diluted basis)</b>	<b>3,078,847,391</b>		

- (1) Assumes that the Further Capital Raising is 200,000,000 Shares.
- (2) The Adviser Options will only be issued if the Further Capital Raising is conducted at an issue price of \$0.008 per Share or higher.
- (3) Comprising 250,000,000 Class A Performance Shares, 250,000,000 Class B Performance Shares and 250,000,000 Class C Performance Shares. The terms of the Performance Shares are set out in Schedule 3.

**Assuming the Additional Vendor accepts the Additional Vendor Offer (and GBX therefore acquires 100% of Kalia)**

	Shares	Options	Performance Shares
Current (including Tranche 1 Placement)	1,058,849,199	58,000,000	-
Tranche 2 Placement (Resolution 6)	39,106,626	-	-
Further Capital Raising (Resolution 7) and Adviser Options (Resolution 8)	200,000,000 <sup>(1)</sup>	250,000,000 <sup>(2)</sup>	-
Consideration under the Kalia Transaction and Additional Vendor Offer (Resolution 2)	1,000,000,000	-	750,000,000 <sup>(3)</sup>
<b>Total (on completion of the Acquisition)</b>	<b>2,297,955,825</b>	<b>308,000,000</b>	<b>750,000,000</b>
<b>Total (on a fully diluted basis)</b>	<b>3,355,955,825</b>		

- (1) Assumes that the Further Capital Raising is 200,000,000 Shares.
- (2) The Adviser Options will only be issued if the Further Capital Raising is conducted at an issue price of \$0.008 per Share or higher.
- (3) Comprising 250,000,000 Class A Performance Shares, 250,000,000 Class B Performance Shares and 250,000,000 Class C Performance Shares. The terms of the Performance Shares are set out in Schedule 3.

(b) Pro-forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the Kalia Transaction including the associated capital raisings is set out in Schedule 2. The pro-forma adjustments are set out under the balance sheet.

(c) Board of Directors

Currently the Board of Directors comprises:

Stuart Rechner – Chairman

Nick Burn – Executive Director

David Detata – Non-Executive Director

Under the Terms Sheet, Kalia has the right to nominate 2 Directors to be appointed to the Board, but at this stage will nominate 1 Director. By Resolution 4, Shareholder approval is sought to appoint David Johnston as Director to join the Board. The qualifications and experience of David Johnston are set out in the explanatory statement material for Resolution 4.

If Resolution 4 is passed together with the other Conditional Resolutions, David Johnston will be appointed to the Board from Completion.

## 1.10 Risks

The Kalia Transaction will provide the Company an opportunity to significantly expand its resource exploration assets. A number of the risk factors below are not new to the Company as the Company is a minerals exploration company listed on ASX currently exploring on tenements and tenement applications in Western Australia, South Australia and the Northern Territory which are prospective for copper, gold, uranium, lithium, cobalt, nickel and platinum.

On completion of the Kalia Transaction, the Company will either have 72.29% of the Shares in Kalia or 100% of the Shares in Kalia. Kalia has a contractual joint venture to explore for minerals in the Tinputz district of North Bougainville, Papua New Guinea which is prospective for copper, gold and other elements.

In addition to the general risks applicable to all investments in listed companies, some of the material risks associated with exploring in North Bougainville, Papua New Guinea, and associated with the Kalia Transaction include:

(a) Change in scale of activities - The Kalia Transaction constitutes a change in the scale of the Company's activities.

The ASX has advised the Company that, before it completes the Kalia Transaction, it must obtain Shareholder approval (however, ASX has confirmed that the Company is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX).

There is a risk that Shareholders will not approve the Kalia Transaction and subsequent change to the scale of the Company's activities. Should this occur, the Kalia Transaction will not complete.

- (b) Potential for dilution - The Company currently has 1,058,849,199 Shares on issue. On completion of the Kalia Transaction and if the Additional Vendor Offer is accepted, a total of up to 1,239,106,626 Shares; 250,000,000 Options; and 750,000,000 Performance Shares will be issued in accordance with the pro-forma capital structure tables in section 1.9. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Company's business and projects.

- (c) Sovereign risk and legislative issues – From 1971 a moratorium was imposed on exploration and mining over most of Bougainville (including the Tore Project area). However, on 28 April 2017, the President of the Autonomous Bougainville Government (ABG) publicly announced the date for receiving applications for three areas within Bougainville. One of the areas where applications can be made is the Tore Project area. On 9 May 2017, the ABG Department of Mineral and Energy Resources started accepting applications for Exploration Licences in the three areas. Kalia lodged applications for the Tore Project area on 19 June 2017 and the applications were registered on that date.
- (d) Joint venture risk and relationship with customary land owners – Kalia has signed a binding deed of agreement with Toremana Resources Ltd for the exploration of an area within North Bougainville and other areas. Toremana is comprised of 7 local clans that represent customary land owners. Toremana, so far as it is entitled, grants to Kalia the right and consent to access the land and apply for exploration and other mining licences. Interests in all licences will be 75% held by Kalia and 25% held by Toremana, with Toremana free carried through exploration, mining and development. This agreement is summarised in Section 1.4.

The successful development of any project area is reliant upon an effective relationship with Toremana and the customary land owners.

- (e) Exploration – The Company intends to conduct exploration upon project areas in North Bougainville. Exploration is by its nature a high risk undertaking and there can be no assurance of the success of exploration such as the discovery of a mineral resource.
- (f) Future capital and additional funding – The Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of any project.
- (g) Reliance on key personnel – The Company's success depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives. There is a risk that operating and financial performance would be adversely affected by the loss of these key personnel.
- (h) Operating and development risk – In the event of any mining in the future at a project, the business of mining involves many risks that may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), labour force disruptions, costs overruns, changes in regulatory environment and unforeseen contingencies. There can be no assurance that any exploration on current or future interests will result in the discovery of economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.
- (i) Commodity prices – Adverse fluctuations in commodity prices such as copper and gold may detrimentally affect the Company developing any project.

- (j) Relationship with minority shareholder of Kalia – In the event that the Additional Vendor does not accept the Additional Vendor Offer and completion is achieved under the Terms Sheet, then the Company will acquire 72.29% of the shares in Kalia. The Additional Vendor in this circumstance will retain the 27.71% of Kalia. In this circumstance, any matters at Kalia Shareholder level that require a special resolution (greater than 75%) of shareholders at law will need the Additional Vendor to approve.
- (k) Other risks – There are other risk factors including environmental laws and regulations, estimates of ore and mineral resources, and foreign exchange rate risk.

#### **1.11 Advantages of the Kalia Transaction**

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

- (a) The Kalia Transaction represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in the Company's Shares.
- (b) The Kalia Transaction provides an opportunity for the Company to diversify its business to include overseas exploration in North Bougainville.
- (c) Should the Company be successful with funding exploration on a project in North Bougainville there is an opportunity to build substantial value for investors and all stakeholders, including the Toremama.
- (d) The addition of David Johnston to the Board of the Company as part of the Kalia Transaction will provide additional experience and skills to guide the development of a project in North Bougainville.
- (e) The Company's enlarged size following acquisition of the Kalia shares should improve access to future equity funding. It is anticipated to also provide the flexibility to support project funding initiatives and accelerate proposed exploration activities.
- (f) The Performance Shares will convert on satisfaction of milestones into fully paid ordinary shares in the Company. The Company has structured the Performance Shares to incentivise and align the interests of the Kalia Shareholders with the interests of the Company and existing Shareholders.

#### **1.12 Disadvantages of the Kalia Transaction**

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

- (a) The Kalia Transaction will result in the issue of additional Shares and Performance Shares to the Kalia Shareholders which will have a dilutionary effect on the holdings of existing Shareholders.
- (b) The Company will be changing the scale of its activities, which may not be consistent with the objectives of all Shareholders.
- (c) The Company will be exposed to risks including sovereign risks in North Bougainville, Papua New Guinea which may not be consistent with the objectives of all Shareholders.
- (d) There are inherent risks associated with the change in the scale of the Company's activities. Some of these risks are summarised in Section 1.10 above.



- (e) A future outlay of funds will be required in order to fund any significant exploration on projects in North Bougainville.
- (f) There is no guarantee that the exploration and development activities proposed to be conducted on the projects in North Bougainville by the Company will result in a positive economic outcome.

#### **1.13 Conditionality of Resolutions**

Resolutions 1 to 4 and 6 and 7 are conditional upon the passing of each other, so that each will not have effect unless and until the other is passed.

#### **1.14 Plans for the Company if the Resolutions are not passed**

If the conditional Resolutions are not passed, the Company will continue to focus on the exploration and development of its existing resource projects and it may look for other complementary projects to enhance Shareholder value.

#### **1.15 Directors' recommendation**

The exercise of the Kalia Option and the undertaking of the Kalia Transaction will constitute a significant increase in the scale of activities undertaken by the Company.

The current directors (Stuart Rechner, David Detata and Nick Burn) do not have a material personal interest in the outcome of any of the Resolutions other than as Shareholders of the Company. GBX intends to exercise the Kalia Option and undertake the Kalia Transaction as the Directors believe the Kalia Transaction is in the best interests of the Company and recommend that Shareholders vote in favour of all Resolutions (subject to completion of due diligence and the conditions precedent being satisfied).

Each of the Directors intend to vote any Shares held in favour of each of the Resolutions.

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

The exercise of the Kalia Option and undertaking of the Kalia Transaction will constitute a change in the scale of the Company's activities. Shareholders should refer to Section 1 for information about the Kalia Transaction and its impact on the Company.

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the scale of its activities, it must provide full details to ASX as soon as practicable. Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of shareholders and must comply with any requirements of ASX in relation to the notice of meeting.

The ASX has advised the Company that it must seek Shareholder approval for this change in scale. Accordingly, Resolution 1 seeks Shareholder approval for the exercise of the Kalia Option and the undertaking of the Kalia Transaction under Listing Rule 11.1.2.

The ASX has advised the Company that the change in the scale of the Company's activities does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

### **3. RESOLUTION 2 - APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO KALIA SHAREHOLDERS**

#### **3.1 General**

Resolution 2 seeks Shareholder approval for the issue of up to 1,000,000,000 Shares and 750,000,000 Performance Shares which represents the consideration to be provided by the Company to the Kalia Shareholders under the Kalia Transaction (**Consideration Securities**).

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

Shareholder approval is required for the purposes of Listing Rule 7.1 as the Company has used its remaining placement capacity by the issue of the placement shares the subject of Resolution 5.

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

Resolution is subject to the passing of all Conditional Resolutions.

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

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

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

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

The issue of Consideration Securities constitutes giving a financial benefit and David Johnston is a related party by virtue of being a Proposed Director.

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

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

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

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

None of the Vendors, other than David Johnston, are related parties of the Company. David Johnston, as Proposed Director, is a related party of the Company by virtue of the operation of section 228(6) of the Corporations Act.

David Johnston is a related party by reason only of the Kalia Transaction which is the reason for the issue of the securities to him. The Consideration Securities will be issued to the Kalia Shareholders (or their nominees) at Completion. As such, separate Shareholder approval for the issue of Consideration Securities to David Johnston (or his nominee) under ASX Listing Rule 10.11 is not required (see ASX Listing Rule 10.12 (Exception 6)).

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

In accordance with Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 2.

- (a) The maximum number of securities to be issued by the Company is 1,000,000,000 Shares, 250,000,000 Class A Performance Shares, 250,000,000 Class B Performance Shares and 250,000,000 Class C Performance Shares.
- (b) The securities will be issued no later than 3 months after the date of this Meeting (unless a later date is permitted by ASX waiver).
- (c) The securities to be issued will be issued for nil cash consideration as they represent the consideration to be provided by the Company to the Kalia Shareholders under the Kalia Transaction.
- (d) The Shares will be issued to the Kalia Shareholders that have accepted an offer by the Company to purchase their Kalia shares being either 21 or all 22 Kalia Shareholders. The Shares will be issued pro-rata between these Kalia Shareholders in accordance with Schedule 1. None of the Kalia Shareholders are related parties of the Company other than David Johnston. As detailed at Section 3.3 above, the Directors consider that Shareholder approval pursuant to ASX Listing Rule 10.11 is not required in respect of the issue of Consideration Securities to David Johnston as the Proposed Director he is only a related party of the Company by reason of the Kalia Transaction, which is the reason for the issue of the Consideration Securities and the application to him of section 228(6) of the Corporations Act.
- (e) The 250,000,000 Class A Performance Shares, 250,000,000 Class B Performance Shares and 250,000,000 Class C Performance Shares are to be issued to Nik Zuks (the major shareholder of Kalia) or his nominee. Nik Zuks is not a related party of the Company.
- (f) The Shares to be issued will be fully paid ordinary shares of the Company that rank equally with the Company's current issued Shares. The Performance Shares will be issued in 3 classes being Class A Performance Shares, Class B Performance Shares and Class C Performance Shares. The terms of the Performance Shares are set out in Schedule 3.
- (g) No funds will be raised from the issue of the Consideration Securities.
- (h) It is intended that the securities will be issued on one date.

## **4. RESOLUTION 3 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES**

At completion of the Kalia Transaction the Company will issue Performance Shares to the major shareholder of Kalia as part of the consideration for the Kalia Transaction.

Pursuant to section 246C(5) of the Corporations Act, a company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the constitution already provides for such an issue.

Section 246B of the Corporations Act and rule 2.2 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the holders of the issued shares of the affected class; or
- (b) the written consent of the holders of 75% of the votes of the affected class.

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares are not the same as the terms of the existing Shares on issue.

Accordingly, this Resolution seeks Shareholder approval for the Company to issue the Performance Shares as a new class of shares.

The full terms of the Performance Shares are set out in Schedule 3.

This Resolution is a special resolution requiring it to be passed by at least 75% of the votes cast by Shareholders who are entitled to vote at the meeting.

## **5. RESOLUTION 4 – APPOINTMENT OF DIRECTOR NOMINATED BY KALIA – DAVID JOHNSTON**

It is intended that David Johnston be appointed as a Director of the Company, pursuant to clause 7.2(c) of the Company's Constitution in the event of Completion.

The Honourable David Johnston, former Senator, practised law in Kalgoorlie, Western Australia specialising in mining conveyancing and tenement disputation. He practised in Western Australia for 20 years before being elected to the Australian Parliament as a Senator for Western Australia. Mr Johnston was in Parliament for 14 years, and during that time was the Minister for Justice and Customs in the Howard Government, the Shadow Minister for Minerals Energy and Tourism, the Shadow Minister for Defence and then Minister for Defence in the Abbott Government.

The Board recommends the appointment of David Johnston as a Director in the event of Completion. If approved, appointment by Shareholders will occur from Completion.

## **6. RESOLUTION 5 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES TO UNRELATED PARTIES**

Resolution 5 seeks Shareholder approval in relation to the issue of 135,893,374 Shares issued to unrelated parties being tranche 1 of a placement.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity or any additional 10% placement capacity under Listing Rule 7.1A) and shareholders subsequently approve it.

The Shares issued the subject of this Resolution were issued within the Company's 15% capacity. The Company seeks Shareholder approval to ratify the Shares issued and refresh the Company's 15% capacity.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was 135,893,374 Shares.
- (b) The Shares were issued at an issue price of \$0.004 each.

- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued shares.
- (d) The Shares were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The Company intends to use the funds from the placement together with the Further Capital Raising funds as set out in the use of funds in this Explanatory Statement including to pay the costs of the Kalia Transaction, to explore the Kalia/Tinputz Project on grant and for general working capital.

## **7. RESOLUTION 6 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO UNRELATED PARTIES**

This Resolution seeks Shareholder approval so that the Company may issue up to 39,106,626 Shares to unrelated parties which constitute tranche 2 of a placement.

Shareholder approval is required for the purposes of Listing Rule 7.1 as the Company has used its remaining placement capacity by the issue of the placement shares the subject of Resolution 5.

Information about Listing Rule 7.1 is set out in Section 6 above.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of securities to be issued is 39,106,626 Shares.
- (b) The Shares will be issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the Shares is \$0.004 each.
- (d) The Shares will be issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company and rank equally with the Company's current issued Shares.
- (f) The Company intends to use the funds from the placement together with the Further Capital Raising funds as set out in the use of funds in this Explanatory Statement including to pay the costs of the Kalia Transaction, to explore the Kalia/Tore Project on grant and for general working capital.
- (g) It is intended that the Shares will be issued on one date.

## **8. RESOLUTION 7 – APPROVAL TO ISSUE SHARES AS A FURTHER CAPITAL RAISING TO UNRELATED PARTIES**

This Resolution seeks Shareholder approval so that the Company may undertake a further capital raising to unrelated parties.

The Company seeks to obtain Shareholder approval for the purposes of Listing Rule 7.1 as the Company has used its remaining placement capacity by the issue of the placement shares the subject of Resolution 5.

Information about Listing Rule 7.1 is set out in Section 6 above.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of Shares to be issued is 200,000,000 Shares.
- (b) The Shares will be issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the Shares is a minimum of \$0.008 each. Please refer to the footnote to the Indicative Use of Funds Table in Section 1.7 for further information on the pricing.
- (d) The Shares will be issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. The identity of the subscribers is not yet known. None of the subscribers will be a related party of the Company.
- (e) The Shares will be fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (f) The Company intends to use the funds from the placement (the subject of Resolutions 5 and 6) together with the Further Capital Raising as set out in the use of funds in this Explanatory Statement including to pay the costs of the Kalia Transaction, to explore the Kalia/Tore Project on grant and for general working capital.
- (g) It is intended that the Shares will be issued on one date.

#### **9. RESOLUTION 8 – APPROVAL TO ISSUE ADVISER OPTIONS TO UNRELATED PARTIES**

This Resolution seeks Shareholder approval so that the Company may issue up to 250,000,000 Adviser Options. The Adviser Options will be issued to third party advisers who assist the Company to raise funds for the various capital raisings. They will only be issued if the Further Capital Raising is undertaken at an issue price of not less than \$0.008 per Share or higher.

Shareholder approval is required for the purposes of Listing Rule 7.1 as the Company has used its remaining placement capacity by the issue of the placement shares the subject of Resolution 5.

Information about Listing Rule 7.1 is set out in Section 6 above.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of securities to be issued is 250,000,000 Adviser Options.
- (b) The Adviser Options will be issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Adviser Options will be issued for nil cash consideration.
- (d) The Adviser Options will be issued to third party advisers who assist the Company with the various capital raisings. None of these parties will be a related party of the Company. They will only be issued if the Further Capital Raising is undertaken at an issue price of not less than \$0.008 per Share or higher.
- (e) The Adviser Options have an exercise price of \$0.003 and an expiry date of 30 June 2019. The full terms of the Adviser Options are set out in Schedule 4.
- (f) There will be no funds raised by the issue of the Adviser Options as they are being issued in consideration for services provided in connection with the raising of capital, including the Further Capital Raising.
- (g) It is intended that the Adviser Options will be issued on one date.

## **10. RESOLUTION 9 – CHANGE OF COMPANY NAME**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

In the event that the Company exercises the Kalia Option pursuant to the clause 5 of the Terms Sheet, Resolution 9 seeks the approval of Shareholders for the Company to change its name to Kalia Limited.

**GB ENERGY LIMITED**  
**ACN 118 758 946**

**GLOSSARY**

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In the Notice and this Explanatory Statement the following expressions have the following meanings:

<b>Additional Vendor</b>	Global Resources Investment Trust PLC.
<b>Additional Vendor Offer</b>	means the offer by the Company to the Additional Vendor to acquire all shares held by the Additional Vendor in the capital of Kalia, on the same terms and conditions as the offer made to other Kalia Shareholders under the Terms Sheet.
<b>Adviser Options</b>	the Options as set out in Schedule 4.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>ASX Listing Rules or Listing Rules</b>	the listing rules of the ASX.
<b>Board</b>	the Board of Directors of the Company.
<b>Chair or Chairman</b>	the chairman of the Company.
<b>Company or GBX</b>	GB Energy Limited (ACN 118 758 946).
<b>Completion</b>	means completion under the Terms Sheet.
<b>Conditional Resolutions</b>	means Resolutions 1 to 4, 6 and 7.
<b>Class A Performance Share</b>	the Performance Shares with the A milestone set out in Schedule 3.
<b>Class B Performance Share</b>	the Performance Shares with the B milestone set out in Schedule 3.
<b>Class C Performance Share</b>	the Performance Shares with the C milestone set out in Schedule 3.
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Directors</b>	Directors of the Company from time to time.
<b>Equity Securities</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Statement</b>	this Explanatory Statement.
<b>Further Capital Raising</b>	the capital raising to be undertaken by the Company of 200,000,000 Shares at a minimum of \$0.008 per Share, the subject of Resolution 7.
<b>General Meeting or Meeting</b>	the meeting convened by this Notice.
<b>Kalia</b>	Kalia Holdings Pty Ltd (ACN 110 808 172).
<b>Kalia Option</b>	the option to acquire shares in Kalia, granted in favour of the Company under the Terms Sheet.
<b>Kalia Shareholders</b>	the shareholders of Kalia as detailed in Schedule 1.
<b>Kalia Transaction</b>	the transaction the subject of the Terms Sheet and any later documents by which the Company will acquire shares in Kalia from the Kalia Shareholders (including the Additional Vendor Offer) as summarised in Section 1 of the Explanatory Statement.
<b>Notice</b>	notice of meeting that accompanies this Explanatory Statement.
<b>Option</b>	an option to acquire a Share.
<b>Performance Shares</b>	the Class A Performance Shares, the Class B Performance Shares and the Class C Performance Shares.
<b>Resolution</b>	a resolution referred to in the Notice.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>Terms Sheet</b>	the binding terms sheet between the Company, Kalia and the Kalia Shareholders other than the Additional Vendor dated on or about 16 March 2017.
<b>WST</b>	Western Standard Time, Perth, Western Australia.



**SCHEDULE 1**  
**KALIA SHAREHOLDERS**

<b>N o.</b>	<b>Name of Kalia Shareholder</b>	<b>No. of Kalia Shares</b>	<b>No. of GBX Shares on Completion</b>	<b>No. of Class A Performance Shares</b>	<b>No. of Class B Performance Shares</b>	<b>No. of Class C Performance Shares</b>
1.	Adam Nikolais Zuks	22,554,140	67,934,156	0	0	0
2.	Adam Nikolais Zuks	1,000,000	3,012,048	0	0	0
3.	Enzed Nominees Pty Ltd	25,000,000	75,301,204	0	0	0
4.	Maystar Pty Ltd	18,000,000	54,216,867	0	0	0
5.	Peter Batten	12,000,000	36,144,578	0	0	0
6.	David Albert Johnston	6,000,000	18,072,289	0	0	0
7.	Jessika Erin Pty Ltd	13,500,000	40,662,650	0	0	0
8.	Carla Michelle Pty Ltd	13,500,000	40,662,650	0	0	0
9.	Suzan Baker	13,500,000	40,662,650	0	0	0
10.	Champion Financial Services Pty Ltd	5,746,657	17,309,208	0	0	0
11.	Hazy Outlook 2 Pty Ltd	1,200,000	3,614,458	0	0	0
12.	Kenneth O'Connor	1,000,000	3,012,048	0	0	0
13.	John Osborne & Associates Pty Ltd	500,000	1,506,024	0	0	0
14.	Paramvir Dhillon	300,000	903,614	0	0	0
15.	Shane Ambrose	250,000	753,012	0	0	0
16.	Troy Wilson	250,000	753,012	0	0	0
17.	Jermaine Miller-Lewis	150,000	451,807	0	0	0
18.	Peter Guthrie	100,000	301,205	0	0	0
19.	Jamespark Pty Ltd	5,000,000	15,060,241	0	0	0
20.	Nikolajs Zuks	100,449,203	302,557,838	250,000,000	250,000,000	250,000,000
	<b>Total</b>	<b>240,000,000</b>	<b>722,891,566</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>ADDITIONAL VENDOR</b>						
			<b>No. of GBX shares if Additional Vendor Offer is accepted</b>			
21.	Global Resources Investment Trust PLC	92,000,000	277,108,434	0	0	0
	<b>Total</b>	<b>332,000,000 (Kalia shares)</b>	<b>1,000,000,000 (GBX Shares)</b>	<b>250,000,000</b>	<b>250,000,000</b>	<b>250,000,000</b>

## SCHEDULE 2

### PRO-FORMA BALANCE SHEET

#### Option A - ISSUE 1,000,000,000 SHARES

#### PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	31 March 2017	Proforma adjustments	Unaudited proforma
	\$	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	634,376	1,276,400	1,910,776
Trade and other receivables	6,356	-	6,356
Prepayments	5,288	-	5,288
<b>Total current assets</b>	646,020	1,276,400	1,922,420
<b>Non-current assets</b>			
Property, plant and equipment	194	-	194
Tore Project	-	8,000,000	8,000,000
Loan	-	600,000	600,000
Exploration and evaluation expenditure	611,989	-	611,989
<b>Total non-current assets</b>	612,183	8,600,000	9,212,183
<b>Total assets</b>	1,258,203	9,876,400	11,134,603
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17,653	-	17,653
Borrowings	-	200,000	200,000
<b>Total current liabilities</b>	17,653	200,000	217,653
<b>Total liabilities</b>	17,653	200,000	217,653
<b>Net assets</b>	1,240,550	9,676,400	10,916,950
<b>Equity</b>			
Issued capital	11,121,627	9,676,400	20,798,027
Reserves	463,635	1,757,500	2,221,135
Accumulated losses	(10,344,712)	(1,757,500)	(12,102,212)
<b>Total equity</b>	1,240,550	9,676,400	10,916,950

#### Assumptions

1. Option A Kalia vendors issued 1 billion shares
2. Tranche 2 placement funds to be received subject to shareholder approval of \$156,427
3. Capital raise of 200,000,000 shares (resolution 7) assuming \$0.008 per share (after fees estimated at \$80,000)
4. 250 million Advisor options issued exercise price \$0.003 expiry 30 June 2019. Valued using Black & Scholes at \$0.00703 per option, total value \$1,757,500
5. Loan to Kalia Holdings \$600,000
6. GB Energy Ltd Loan facility of \$200,000 in place mid April 2017 (non related party)

**OPTION B - ISSUE 722,891,566 SHARES****PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	<b>31 March 2017</b>	<b>Proforma adjustments</b>	<b>Unaudited proforma</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	634,376	1,276,400	1,910,776
Trade and other receivables	6,356	-	6,356
Prepayments	5,288	-	5,288
<b>Total current assets</b>	<b>646,020</b>	<b>1,276,400</b>	<b>1,922,420</b>
<b>Non-current assets</b>			
Property, plant and equipment	194	-	194
Tore Project	-	5,783,133	5,783,133
Loan	-	600,000	600,000
Exploration and evaluation expenditure	611,989	-	611,989
<b>Total non-current assets</b>	<b>612,183</b>	<b>6,383,133</b>	<b>6,995,316</b>
<b>Total assets</b>	<b>1,258,203</b>	<b>7,659,533</b>	<b>8,917,736</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17,653	-	17,653
Borrowings	-	200,000	200,000
<b>Total current liabilities</b>	<b>17,653</b>	<b>200,000</b>	<b>217,653</b>
<b>Total liabilities</b>	<b>17,653</b>	<b>200,000</b>	<b>217,653</b>
<b>Net assets</b>	<b>1,240,550</b>	<b>7,459,533</b>	<b>8,700,083</b>
<b>Equity</b>			
Issued capital	11,121,627	7,459,533	18,581,160
Reserves	463,635	1,757,500	2,221,135
Accumulated losses	(10,344,712)	(1,757,500)	(12,102,212)
<b>Total equity</b>	<b>1,240,550</b>	<b>7,459,533</b>	<b>8,700,083</b>

**Assumptions**

1. Option B Kalia Vendors issued 722,891,566 shares
2. Tranche 2 placement funds to be received subject to shareholder approval of \$156,427
3. Capital raise of 200,000,000 shares (resolution 7) assuming \$0.008 per share. (after fees estimated at \$80,000)
4. 250 million Advisor options issued exercise price \$0.003 expiry 30 June 2019. Valued using Black & Scholes at \$0.00703 per option, total value \$1,757,500
5. Loan to Kalia Holdings \$600,000
6. GB Energy Ltd Loan facility of \$200,000 in place mid April 2017 (non related party)

## SCHEDULE 3

### TERMS OF PERFORMANCE SHARES (Resolutions 2 and 3)

The terms of the Performance Shares are as follows:

#### 1. General

- (a) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on a holder ("**Holder**") the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of shareholders of the Company.
- (c) **(No voting rights)** A Performance Share does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) **(No dividend rights)** A Performance Share does not entitle a Holder to any dividends.
- (e) **(No Rights on winding up)** A Performance Share has no right to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) **(Not transferable)** A Performance Share is not transferable.
- (g) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) **(Quotation of shares on conversion)** The Performance Shares will not be quoted on ASX. However, an application will be made by the Company to ASX for official quotation of the Shares (fully paid ordinary) issued upon the conversion of each Performance Share within the time period required by the Listing Rules.
- (i) **(No Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (j) **(No other rights)** A Performance Share does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### 2. Conversion and expiry of Performance Shares

- (a) **(Conversion of Class A Performance Shares on achievement of A Milestone)** Upon the Company announcing on or before 1 June 2020, from a project held by Kalia or a subsidiary of Kalia, a JORC 2012 compliant inferred resource of either:
  - (i) at least 190Mt at a minimum grade of 0.3g/t of gold (Au); or
  - (ii) at least 160Mt at a minimum grade of 0.3% copper (Cu),**("A Milestone")**

each Class A Performance Share will convert into a Share on a one for one basis.

- (b) **(Conversion of Class B Performance Shares on achievement of B Milestone)** Upon the Company announcing on or before 1 March 2022, from a project held by Kalia or a subsidiary of Kalia, a JORC 2012 compliant inferred resource of either:
- (i) at least 285Mt at a minimum grade of 0.3g/t gold (Au); or
  - (ii) at least 240Mt at a minimum grade of 0.3% copper (Cu),
- ("B Milestone")**
- each Class B Performance Share will convert into a Share on a one for one basis.
- (c) **(Conversion of Class C Performance Shares on achievement of C Milestone)**
- (i) Upon the grant of an exploration licence to Kalia or a subsidiary of Kalia in the Tinputz district of Bougainville and the period of 180 days thereafter; and
  - (ii) Kalia, through the Company's funding, undertaking initial mapping and then drilling on a project held by Kalia or a subsidiary of Kalia of a minimum of 2,000 metres,
- and being on or before 1 June 2019 (**"C Milestone"**) each Class C Performance Share will convert into a Share on a one for one basis.
- (d) **(No conversion)** To the extent that any:
- (i) Class A Performance Shares have not converted into Shares on or before the relevant expiry date, then all such unconverted Class A Performance Shares held by each Holder will automatically consolidate into one Class A Performance Share and will then convert into one Share; and
  - (ii) Class B Performance Shares have not converted into Shares on or before the relevant expiry date, then all such unconverted Class B Performance Shares held by each Holder will automatically consolidate into one Class B Performance Share and will then convert into one Share.
  - (iii) Class C Performance Shares have not converted into Shares on or before the relevant expiry date, then all such unconverted Class C Performance Shares held by each Holder will automatically consolidate into one Class C Performance Share and will then convert into one Share.
- (e) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Share.
- (f) **(Ranking of shares)** Each Share into which the Performance Share will convert will upon issue:
- (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
  - (ii) be issued credited as fully paid; and
  - (iii) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emptive rights and any transfer restrictions.

### 3. Conversion on change of control

- (a) Subject to paragraph 3(b), if there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Shares, then:
  - (i) each of the A Milestone, the B Milestone and the C Milestone will be deemed to have been achieved; and
  - (ii) each Performance Share will automatically and immediately convert into a Share.
- (b) If the number of Shares to be issued as a result of the conversion of all Performance Shares due to a Change of Control Event in relation to the Company is in excess of 10% of the share capital of the Company at the time of the conversion, then the number of Class A Performance Shares, Class B Performance Shares and Class C Performance Shares to be converted will be pro-rated so that the aggregate number of Shares issued upon conversion of the Performance Shares is equal to 10% of the share capital of the Company at the time of conversion.

For the purposes of paragraph 3, "**Change of Control Event**" means:

- (a) the occurrence of:
  - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
  - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
  - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
    - (A) cancelled; or
    - (B) transferred to a third party; and
  - (ii) the Court, by order, approves the proposed scheme of arrangement.

### 4. Takeover Provisions

- (a) If the conversion of Performance Shares (or part thereof) under paragraphs 2 or 3 would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this paragraph 4(a), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
- (b) Where paragraph 4(a) applies, if requested to do so by the affected Holder, the Company will seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act 2001 (Cth) for the conversion of the affected Performance Shares at the Company's next annual general meeting.
- (c) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraphs 2 or 3 may result in the contravention of section 606(1), failing which the Company is entitled to assume that the

conversion of Performance Shares (or part thereof) under paragraphs 2 or 3 will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

- (d) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Shares under paragraphs 2 or 3 may result in the contravention of section 606(1). If the Holder does not confirm to the Company within 7 days that they consider the conversion of Performance Shares (or part thereof) under paragraph 1 or 3 may result in the contravention of section 606(1), then the Company is entitled to assume that the conversion of Performance Shares (or part thereof) under paragraphs 2 or 3 will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

## **SCHEDULE 4**

### **TERMS OF ADVISER OPTIONS (Resolution 8)**

The terms of the Options are:

1. Each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5.00pm WST on 30 June 2019.
3. The exercise price of the Options is \$0.003 each.
4. The Options are freely transferable. The Options are not intended to be quoted on ASX.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
6. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX in accordance with the Listing Rules for all Shares issued pursuant to the exercise of the Options to be admitted to quotation.
7. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
8. If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.



**GB ENERGY LIMITED  
ACN 118 758 946**

**PROXY FORM**

**APPOINTMENT OF PROXY  
GB ENERGY LIMITED  
ACN 118 758 946**

I/We

being a Member of GB Energy Limited entitled to attend and vote at the General Meeting, hereby

Appoint

**Name of Proxy**

or failing the person so named or, if no person is named, the Chair of the Meeting or the Chair's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia on 21 August 2017 at 10.00am (WST) and at any adjournment thereof.

**Important Note**

**The Chair of the Meeting intends to vote undirected proxies in favour of all Resolutions.** If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. If you appoint the Chair of the Meeting as your proxy you can direct him/her to vote for or against or to abstain from voting on the items by marking the appropriate box below.

**Voting on Business of the General Meeting**

		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Approval to change in scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Shares and Performance Shares to Kalia Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Creation of new class of securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Director nominated by Kalia – David Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of tranche 1 placement shares to unrelated parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue tranche 2 placement shares to unrelated parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Shares as a Further Capital Raising to unrelated parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Adviser Options to unrelated parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

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

Please return this Proxy Form to the Company in accordance with the accompanying instructions.

Signed this            day of            2017.

**By:**

**Individuals and joint holders**

**Signature**

**Signature**

**Signature**

**Companies (affix common seal if appropriate)**

**Director**

**Director/Secretary**

**Sole Director and Sole Secretary**

## GB ENERGY LIMITED

ACN 118 758 946

### Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a Shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of Shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a Company may execute a document without using its common seal if the document is signed by:
  - 2 Directors of the Company;
  - a Director and a Company Secretary of the Company; or
  - for a proprietary Company that has a sole Director who is also the sole Company Secretary – that Director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the Company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. This Proxy Form (and Power of Attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 19 August 2017. Proxy Forms may be lodged:
  - online at [www.advancedshare.com.au](http://www.advancedshare.com.au);
  - by post to Advanced Share Registry PO Box 1156, Nedlands, Western Australia, 6909;
  - by hand to Advanced Share Registry 110 Stirling Hwy Nedlands, Western Australia, 6009;
  - by facsimile to fax number +61 8 9262 3723;
  - by email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

so that it is received not later than 10.00am (WST) on 19 August 2017.