

ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

21 August 2017

Time of Meeting

9:30am

Place of Meeting

Anglo Australian Resources NL Office
63 Hay Street
SUBIACO WA 6008

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Anglo Australian Resources NL (**Company**) will be held at the Company's Registered Office 63 Hay Street Subiaco, Western Australia on 21 August 2017 at 9:30am for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting.

The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

1. RESOLUTION 1 - RATIFICATION OF ISSUE OF SHARES - 1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 281,250 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

2. RESOLUTION 2 - RATIFICATION OF ISSUE OF SHARES - 2

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, Shareholders approve and ratify the issue of 32,423,500 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

3. RESOLUTION 3 - RATIFICATION OF ISSUE OF SHARES - 3

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, Shareholders approve and ratify the issue of 1,545,500 Shares, for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES - 4

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, Shareholders approve and ratify the issue of 590,500 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF SECURITIES - 5

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, Shareholders approve and ratify the issue of 3,000,000 Options (exercisable at \$0.04 each and expiring 30 November 2020) for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolutions 1 - 5 by any person who participated in the issues and any of their Associates, unless 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 by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

6. RESOLUTION 6 - ISSUE OF SHARES & OPTIONS TO JOHN JONES IN LIEU OF OUTSTANDING AMOUNTS OWED

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue a 1,814,500 Shares at a deemed issue price of \$0.04 each and 3,550,000 Options, exercisable at \$0.08 each and expiring on 30 November 2020 to John Jones, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

7. RESOLUTION 7 - ISSUE OF SHARES & OPTIONS TO PETER STERN IN LIEU OF OUTSTANDING AMOUNTS OWED

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 883,000 Shares at a deemed issue price of \$0.04 each and 1,700,000 Options, exercisable at \$0.08 each and expiring on 30 November 2020 to Peter Stern, or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

8. RESOLUTION 8 - ISSUE OF SHARES & OPTIONS TO GRAEME SMITH IN LIEU OF OUTSTANDING AMOUNTS OWED

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue 883,000 Shares at a deemed issue price of \$0.04 each and 1,700,000 Options, exercisable at \$0.08 each and expiring on 30 November 2020 to Graeme Smith or his nominees, on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolutions 6 – 8 by Messrs Jones, Stern and Smith respectively and any of their Associates. However, subject to the voting prohibition below, the Company will not disregard a vote 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 cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on these Resolutions by a member of the Key Management Personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on these Resolutions as described above; or
- (b) the person is the Chair voting an undirected proxy, which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 - PLACEMENT AUTHORITY – SHARES

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

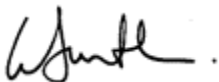
"That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to issue and allot at the Directors' discretion up to a maximum of 20,000,000 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who might participate in the issue and any of their Associates and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed unless 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 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).

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 9:30am (WST) 19 August 2017:

- by post to Anglo Australian Resources NL
63 Hay Street Subiaco WA 6008
- by email to info@anglo.com.au



Graeme Smith
Company Secretary
Date: 21 July 2017

PROXIES

A Shareholder entitled to attend and vote at the above meeting may 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.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm WST time on 19 August 2017 will be entitled to attend and vote at the meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Anglo Australian Resources NL ACN 009 159 077 (**Company**) in connection with the business to be conducted at a General Meeting of the Company to be held at the Company's office, 63 Hay Street Subiaco WA 6008, on 21 August 2017 commencing at 9:30am.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

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

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the General Meeting, Shareholders will be asked to consider the following Resolutions:

- ratification of the issue of Securities under Listing Rule 7.4;
- approval of the issue of Shares to Messrs Jones, Stern & Smith in lieu of amounts outstanding for services and directors' fees; and
- approve a placement authority to issue up to 20 million shares.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES - 1

1.1 General

On 13 January 2017, the Company issued 281,250 Shares at a deemed issue price of \$0.016 per Share, under its 15% placement capacity under Listing Rule 7.1

It now seeks, pursuant to Resolution 1 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 without requiring shareholder approval.

Accordingly, Resolution 1 seeks Shareholder ratification of the issue of 281,250 Shares to restore the ability of the Company to issue further Shares within the 15% limit under Listing Rule 7.1, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 1 did not breach Listing Rule 7.1.

1.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) 281,250 Shares were allotted and issued by the Company;
- b) the deemed issue price per Share was \$0.016;
- c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- d) the Shares were issued to Andrew Barclay & Associates, who were not a related party of the Company;
- e) No funds were raised from the issue of the Shares as the issue was for the provision of services worth \$4,500; and
- f) a voting exclusion statement is included in the Notice.

1.3 Directors' Recommendation

The Directors of the Company believe that Resolution 1 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES - 2

2.1 General

On 10 March 2017, the Company issued 32,423,500 Shares at an issue price of \$0.02 per Share.

30,423,500 Shares were issued under its 15% placement capacity under Listing Rule 7.1, and 2,000,000 Shares under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 2 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A. Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to enable the Company to issue an additional 10% of its issued capital without shareholder approval in the 12 month period following the meeting. Shareholders approved this at the Company's Annual General Meeting held on 29 November 2016. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1 or 7.1A.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 and 10% under Listing Rule 7.1A without requiring shareholder approval.

Accordingly, Resolution 2 seeks Shareholder ratification of the issue of 32,423,500 Shares to restore the ability of the Company to issue further Shares within the 15% limit under Listing Rule 7.1, and 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 2 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

2.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) 32,423,500 Shares were allotted and issued by the Company;
- b) 30,750,000 Shares were issued at \$0.02 per Share;
- c) 1,673,500 Shares were issued at a deemed price of \$0.02 per Share
- d) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- e) the Shares were issued to sophisticated investors, who were not a related party of the Company;
- f) \$465,375 was raised from the issue of 30,750,000 Shares. The funds raised have been, and will be applied to exploration expenditure and working capital expenses;
- g) Services to the value of \$33,470 were provided for the issue of 1,673,500 Shares; and
- h) a voting exclusion statement is included in the Notice.

2.3 Directors' Recommendation

The Directors of the Company believe that Resolution 2 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES - 3

3.1 General

On 18 May 2017, the Company issued 645,000 Shares and on 6 July 2017 issued 900,500 Shares, both at a deemed issue price of \$0.04 per Share, under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A. Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to enable the Company to issue an additional 10% of its issued capital without shareholder approval in the 12 month period following the meeting. Shareholders approved this at the Company's Annual General Meeting held on 29 November 2016. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1 or 7.1A.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 and 10% under Listing Rule 7.1A without requiring shareholder approval.

Accordingly, Resolution 3 seeks Shareholder ratification of the issue of 1,545,500 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 3 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

3.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) 1,545,500 Shares were allotted and issued by the Company;
- b) the deemed issue price per Share was \$0.04;
- c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- d) the Shares were issued to Orbit Drilling Pty Ltd which is not a related party of the Company;
- e) No funds were raised from the issue of the Shares as the issue was for the provision of drilling services worth \$61,820; and
- f) a voting exclusion statement is included in the Notice.

3.3 Directors' Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES - 4

4.1 General

On 17 July 2017, the Company issued 590,500 Shares at a deemed issue price of \$0.04 per Share, under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A. Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to enable the Company to issue an additional 10% of its issued capital without shareholder approval in the 12 month period following the meeting. Shareholders approved this at the Company's Annual General Meeting held on 29 November 2016. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1 or 7.1A.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 and 10% under Listing Rule 7.1A without requiring shareholder approval.

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of 590,500 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 4 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

4.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) 590,500 Shares were allotted and issued by the Company;
- b) the deemed issue price per Share was \$0.04;
- c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- d) the Shares were issued to Andrew Barclay & Associates who are not a related party of the Company;
- e) No funds were raised from the issue of the Shares as the issue was for the provision of services worth \$23,620; and
- f) a voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SECURITIES - 5

5.1 General

On 5 December 2016, the Company issued 3,000,000 Options exercisable at \$0.04 each and expiring on 30 November 2020, under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A. Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to enable the Company to issue an additional 10% of its issued capital without shareholder approval in the 12 month period following the meeting. Shareholders approved this at the Company's Annual General Meeting held on 29 November 2016. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1 or 7.1A.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 and 10% under Listing Rule 7.1A without requiring shareholder approval.

Accordingly, Resolution 5 seeks Shareholder ratification of the issue of 3,000,000 Options to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 5 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- a) 3,000,000 Options with an exercise price of \$0.04 and an expiry date of 30 November 2020 were allotted and issued by the Company on 5 December 2016. The full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum;

- b) the deemed issue price, as calculated using a Black Scholes Option pricing model, per Option was \$0.0143;
- c) the Options were issued to:

Name	Options
Edward Baltis	1,500,000
Terra Resources Pty Ltd	1,000,000
George Sakalidis	500,000

who are not related parties of the Company;

- d) No funds were raised from these issues. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and
- e) a voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – 8 - APPROVAL OF ISSUE OF SHARES & OPTIONS TO DIRECTORS – JOHN JONES, PETER STERN AND GRAEME SMITH

6.1 General

Executive Chairman Mr John Jones is owed an amount of \$145,000 in directors' fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Shares, to conserve the cash position of the Company.

Non-Executive Director Mr Peter Stern is owed an amount of \$70,000 for services and directors fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Shares & Options, to conserve the cash position of the Company.

Non-Executive Director Mr Graeme Smith is owed an amount of \$70,000 for services and directors fees to the Company and, subject to shareholder approval, has elected to receive this amount in the form of Shares, to conserve the cash position of the Company.

Under Section 208 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 (such as a director of the 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. Section 210 of the Corporations Act provides that shareholder approval for the purposes of Section 208 of the Corporations Act is not needed to give a financial benefit on the terms that would be unreasonable in the circumstances if the public company and the related party were dealing at arms' length.

It is the view of the Directors that the issue of Shares & Options to Directors under Resolutions 6 to 8 fall under the arms' length exception in Section 210 of the Corporations Act as:

- i. the issue of Shares is being made at the same price and on the same terms and conditions as the Company's latest placement in July 2017 to unrelated parties; and

- ii. the exercise price of the Options is 200% of the market price as of 3 July 2017.

Accordingly, Shareholder approval is only being sought under Listing Rule 10.11 and approval is not required under Listing Rule 7.1.

6.2 Listing Rule Notice Requirements

Listing Rule 10.13 contains certain requirements as to the contents of a Notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- a) the Shares & Options will be issued as follows:

Director	Number of Shares to be issued under Resolutions 6 - 8	Issue Price of Shares	Number of Options to be issued under Resolutions 6-8	Exercise Price of Options	Value of Options	Directors fees & amounts owing
J Jones	1,814,500	\$0.04	3,550,000	\$0.08	\$0.02	\$145,000
P Stern	883,000	\$0.04	1,700,000	\$0.08	\$0.02	\$70,000
G Smith	883,000	\$0.04	1,700,000	\$0.08	\$0.02	\$70,000

- b) the Shares & Options will be allotted as soon as practicable following the close of this Meeting and in any event no later than 1 month of the date of this Meeting;
- c) the deemed issue price of the Shares is \$0.04 per Share;
- d) the deemed issue price of the Options is \$0.02 per Option;
- e) the exercise price of the Options is \$0.08 per Option;
- f) the Shares issued will be fully paid ordinary Shares and rank equally with other fully paid ordinary Shares on issue;
- g) The Options will not rank equally with other fully paid Shares until they are exercised;
- h) the Options expire on 30 November 2020 and the full terms and conditions of the Options is included in Annexure B to this Explanatory Memorandum;
- i) a voting exclusion statement is included in this Notice; and
- j) no funds will be raised from the issue of Shares & Options to Directors pursuant to Resolutions 6 - 8.

6.3 Directors' Recommendation

The Directors of the Company abstain from making a recommendation in relation to these Resolutions.

7. RESOLUTION 9 – PLACEMENT AUTHORITY - SHARES

7.1 Background

Resolution 9 seeks the approval of Shareholders to enable the Directors, at any time during the three months after the General Meeting, to issue up to 20,000,000 Shares in the Company for the purpose of raising additional funds for the Company.

The purpose of the issue will be to fund the Company's ongoing exploration and evaluation programmes, fund the evaluation and acquisition of new opportunities, fund the corporate and administrative activities of the Company, working capital and to meet the costs of the issue.

The Shares to be issued will rank equally in all respects with the Company's existing issued Shares. The Shares to be issued will have a diluting effect on the issued capital of the Company.

7.2 Listing Rule Requirements

The effect of Resolution 9 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual placement capacity.

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

- (a) the maximum number of Shares to be issued is 20,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur progressively throughout the 3 month period;
- (c) the issue price of the Shares will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the subscribers for these Shares are not yet known, however they will only be issued to investors who qualify under Section 708 of the Corporations Act. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards the Company's ongoing exploration and evaluation programmes, fund the evaluation and acquisition of new opportunities, fund the corporate and administrative activities of the Company, working capital and to meet the costs of the issue in the proportions outlined below:

Proposed Area of Application	Proposed Allocation (%)
Ongoing exploration & evaluation programmes	35%
Evaluation and acquisition of new opportunities	30%
Corporate and administrative activities	15%
Working capital	15%
Costs of the Issue	5%
Total	100%

7.3 Directors' Recommendation

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 9.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Proxy Form to vote the Shares represented thereby in accordance with their best judgement on such matter.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Company	means Anglo Australian Resources NL ACN 009 159 077
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolution contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the proxy form attached to this Notice.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a share.

The Company Secretary
Anglo Australian Resources NL
63 Hay Street
SUBIACO WA 6008

Name of Shareholder (s) _____
Address of Shareholder (s) _____

STEP 1

Appoint Proxy to Vote on Your Behalf

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

☐ the Chairman of the meeting

OR

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

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Anglo Australian Resources NL to be held at the Company's office, 63 Hay Street, Subiaco Western Australia on 21 August 2017 at 9:30am (WST) and at any adjournment of that meeting.

Important for All Resolutions – if the Chairman of the meeting is your proxy or is appointed as your proxy by default
By marking this box, you are directing the Chairman of the meeting to vote in accordance with the Chairman's voting intentions on the Resolutions as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on the Resolutions in Step 2 below, the Chairman of the meeting will not cast your votes on the Resolutions and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the meeting will vote in favour of the Resolutions).

The Chairman of the Meeting intends to vote all available proxies in favour of the Resolutions

I / We (except where I / we have indicated a different voting intention below):

☐

1. direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on the Resolutions to vote in favour of this item; and

2. acknowledge that the Chairman of the Meeting may exercise my / our proxy in respect of the Resolutions as he sees fit even if the Chairman has an interest in the outcome of The Resolutions and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business

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

		For	Against	Abstain
Resolution 1	Ratification of Issue of Shares - 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Issue of Shares - 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Issue of Shares - 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Shares - 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Securities - 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares & Options to John Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares & Options to Peter Stern	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares & Options to Graeme Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Placement Authority - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ shares.

SIGN

Signature of Security holder – Please sign here

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director & Sole Company Secretary

Director / Company Secretary

Director

Dated this _____ day of _____ 2017

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies **must be received by the Company by 9:30am on 19 August 2017** by post, or email to the respective addresses stipulated in this proxy form.
6. The Chairman will cast all available proxies in favour of the Resolution.
7. If the proxy form specifies a way in which the proxy is to vote on any of the Resolution stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) 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
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
8. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.

ANNEXURE A

ANGLO AUSTRALIAN RESOURCES NL

Terms and Conditions of \$0.04 Unlisted Options

- a) Each Option entitles the holder to one ordinary fully paid share.
- b) The Options shall vest on issue (the Vesting Date).
- c) The Options shall expire at 5:00pm WST on 30 November 2020 (the Expiry Date).
- d) The Options shall be exercisable at any time from the Vesting Date up to and including the Expiry Date by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- e) The Options are not transferable, other than to a related party, and application will not be made to the ASX for Official Quotation of the Options.
- f) The exercise price of the Options is \$0.04 per Option
- g) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- h) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - i. a written notice of exercise of Options specifying the number of Options being exercised; and
 - ii. a cheque or electronic funds transfer for the exercise price for the number of Options being exercised,
- i) All ordinary fully paid shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.
- j) There are no participating rights and entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed 7 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.
- k) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
- l) Adjustment for bonus issues of Shares
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
 - i. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - ii. no change will be made to the exercise price.
- m) Adjustment for rights issue
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:
New exercise price = $O - \frac{E [P - (S + D)]}{N + 1}$
 - O = the old Exercise Price of the Option.
 - E = the number of underlying Shares into which one Option is exercisable.
 - P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
 - S = the subscription price of a Share under the pro rata issue.
 - D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
 - N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

ANNEXURE B

ANGLO AUSTRALIAN RESOURCES NL

Terms and Conditions of \$0.08 Unlisted Options

- n) Each Option entitles the holder to one ordinary fully paid share.
- o) The Options shall vest on issue (the Vesting Date).
- p) The Options shall expire at 5:00pm WST on 30 November 2020 (the Expiry Date).
- q) The Options shall be exercisable at any time from the Vesting Date up to and including the Expiry Date by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- r) The Options are not transferable, other than to a related party, and application will not be made to the ASX for Official Quotation of the Options.
- s) The exercise price of the Options is \$0.08 per Option
- t) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- u) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - iii. a written notice of exercise of Options specifying the number of Options being exercised; and
 - iv. a cheque or electronic funds transfer for the exercise price for the number of Options being exercised,
- v) All ordinary fully paid shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.
- w) There are no participating rights and entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed 7 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.
- x) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
- y) Adjustment for bonus issues of Shares
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
 - iii. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - iv. no change will be made to the exercise price.
- z) Adjustment for rights issue
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:
New exercise price = $O - \frac{E [P - (S + D)]}{N + 1}$
 - O = the old Exercise Price of the Option.
 - E = the number of underlying Shares into which one Option is exercisable.
 - P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
 - S = the subscription price of a Share under the pro rata issue.
 - D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
 - N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.