



ACN 006 640 553

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at The Celtic Club (Inc), 48 Ord Street, West Perth, Western Australia on Tuesday, 31 October 2017 at 11:00am (WST).

The Notice of Annual 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.

Should you wish to discuss any matter please do not hesitate to contact the Joint Company Secretaries by telephone on (08) 6245 2050

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

CALIDUS RESOURCES LIMITED

ACN 006 640 553

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Calidus Resources Limited (Company) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 31 October 2017 at 11:00am (WST) (Meeting).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 29 October 2017 at 11:00am (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Director - Mr Adam Miethke

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

"That Mr Adam Miethke, who retires in accordance with Clause 51 of the Constitution, and, being eligible, offers himself for election, be re-elected as a Director."

4. Resolution 3 - Ratification of prior issue of EpmineX Shares

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 90,000 Shares to EpmineX (or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by EpmineX (or its nominees) and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

5. Resolution 4 - Ratification of prior issue of ESIP Shares

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,500,000 Shares under the Company's Employee Securities Incentive Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Jane Allen and James Carter, and any of their associates.

However, the Company need not disregard a vote if:

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

6. Resolution 5 - Ratification of prior issue of Tranche 1 Placement Shares

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 95,061,395 Shares at \$0.041 per Share to raise approximately \$3.9 million on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person (and any nominee of such a person) who participated in the issue of the Shares, and any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

7. Resolution 6 - Approval to issue Tranche 2 Placement Shares

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 148,841,045 Shares at \$0.041 per Share to raise up to approximately \$6.1 million on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution a person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

8. Resolution 7 - Approval to issue Consideration Shares

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 20,000,000 Shares to Novo Resources Corp. (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Novo Resources Corp. (or its nominees) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

9. Resolution 8 - Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit if this Resolution is passed, except a benefit solely

in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

10. Resolution 9 - Approval of Employee Securities Incentive Plan

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

"That, pursuant to and in accordance with Listing Rule 7.2 exception 9(b) and for all other purposes, Shareholders approve the adoption of the employee incentive scheme of the Company known as the "Calidus Resources Limited Employee Securities Incentive Plan" and the issue of securities under that plan, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any of their respective associates. The Company will not disregard a vote if:

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

11. Resolution 10 - Approval of potential termination benefits under the Employee Securities Incentive Plan

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

"That conditional on Resolution 9 being approved, for a period commencing from the date this Resolution is passed and ending upon the expiry of all Securities issued under the Employee Securities Incentive Plan, approval be given for all purposes including Part 2D.2 of the Corporations Act and Listing Rule 10.19 for the giving of benefits to any current or future person holding a managerial or executive office of the Company or a related body corporate in connection with that person ceasing to hold such office, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by an officer of the Company or any of its child entities who is entitled to participate in a termination benefit and their respective associates. The Company will not disregard a vote if:

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

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

In accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Employee Securities Incentive Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement. However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the person or an associate of the person.

12. Resolution 11 - Replacement of Constitution

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

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes."

13. Resolution 12 - Approval of appointment of Auditor

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

"That, for the purposes of section 327B(1)(b) of the Corporations Act and for all other purposes, Moore Stephens WA, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company with effect from the conclusion of this Meeting."

BY ORDER OF THE BOARD



Keith Coughlan
Chairman
Calidus Resources Limited
Dated: 27 September 2017

CALIDUS RESOURCES LIMITED

ACN 006 640 553

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Tuesday, 31 October 2017 at 11:00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

| | |
|------------|---|
| Section 2 | Action to be taken by Shareholders |
| Section 3 | Annual Report |
| Section 4 | Resolution 1 - Remuneration Report |
| Section 5 | Resolution 2 - Re-election of Director - Mr Adam Miethke |
| Section 6 | Resolution 3 - Ratification of prior issue of Epmiex Shares |
| Section 7 | Resolution 4 - Ratification of prior issue of ESIP Shares |
| Section 8 | Resolution 5 - Ratification of prior issue of Tranche 1 Placement Shares |
| Section 9 | Resolution 6 - Approval to issue Tranche 2 Placement Shares |
| Section 10 | Resolution 7 - Approval to issue Consideration Shares |
| Section 11 | Resolution 8 - Approval of 10% Placement Facility |
| Section 12 | Resolution 9 - Approval of Employee Securities Incentive Plan |
| Section 13 | Resolution 10 - Approval of potential termination benefits under the Employee Securities Incentive Plan |
| Section 14 | Resolution 11 - Replacement of Constitution |
| Section 15 | Resolution 12 - Approval of appointment of Auditor |
| Schedule 1 | Definitions |

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

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

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) 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;

- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
 - (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Chair intends to exercise all available proxies in favour of all Resolutions.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, a vote on Resolutions 1, 4, 9 and 10 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 1, 4, 9 and 10 if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1, 4, 9 and 10 and:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolutions 1, 4, 9 and 10.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1, 4, 9 and 10, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.calidus.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Joint Company Secretaries at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2016 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2018 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

5. Resolution 2 - Re-election of Director - Mr Adam Miethke

Clause 51 of the Constitution requires that at each annual general meeting, one-third of the Directors are subject to retirement by rotation, and if their number is not a multiple of 3, then the number nearest to but not exceeding one third of the Directors must retire. Clause 51.4 of the Constitution provides that a Director who retires is eligible for re-election.

Clause 48.1 of the Constitution provides that the Company may appoint Directors by resolution passed in a general meeting.

The Company currently has 4 Directors, and accordingly, 1 must retire. Each of the Directors was elected by Shareholders at the 2016 annual general meeting of the Company held on 30 May 2017.

Mr Miethke resigns as a Director at this annual general meeting and, being eligible, seeks approval to be re-elected as a Director.

Mr Miethke is a geologist with over 16 years' experience in the metals and mining industry including funds management and more recently as a corporate advisor. Mr Miethke initially worked for Rio Tinto's iron ore division before joining Snowden Mining Consultants where he worked across all commodities in Australia, Africa, Eastern Europe and South America. After completing an MBA in 2008, he joined Regent Pacific Group in Hong Kong as technical director, overseeing the group's investment portfolio. For the past five years, Adam has been a director of the corporate finance team within Argonaut Capital Limited and led that group's metals and mining division.

Mr Miethke holds a Bachelor of Applied Science with First Class Honours in Geology from the Queensland University of Technology and MBA from Curtin University. He is a Member of the Australasian Institute of Mining and Metallurgy and Society of Economic Geologists.

The Board (excluding Mr Miethke) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

6. Resolution 3 - Ratification of prior issue of EpmineX Shares

6.1 General

As disclosed in the Company's prospectus dated 5 May 2017 (**May Prospectus**), the Company entered into a binding term sheet with EpmineX WA Pty Ltd (**EpmineX**) and its sole director (**EpmineX Agreement**) for the acquisition of up to 100% of three applications for exploration licences, namely E45/4555, E45/4556 and E45/4843 (each a **Licence upon grant**).

Pursuant to the EpmineX Agreement, the Company has agreed to purchase 50% of each Licence upon grant and subject to ministerial consent and any necessary Shareholder approvals (**Initial Purchase**).

The consideration payable by the Company in respect of each Initial Purchase is \$2,000 cash and 10,000 Shares in respect of each graticular block covered by the relevant Licence as at the date of grant.

Subject to completion of the Initial Purchase, EpmineX has granted the Company an option to acquire the remaining 50% of each Licence (taking the Company's interest to 100%) exercisable in respect of each Licence within 2 years of the date of grant (**Final Purchase**). The Final Purchase is also subject to ministerial consent and any necessary Shareholder approvals.

On 13 June 2017, the Company issued 60,000 Shares to EpmineX (or its nominees) under the May Prospectus as consideration for the Initial Purchase of E45/4555, which was granted in March 2017 and covers 6 graticular blocks.

On 28 July 2017, the Company issued 30,000 Shares to EpmineX (or its nominees) as consideration for the Initial Purchase of E45/4843, which was granted in July 2017 and covers 3 graticular blocks.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the 90,000 Shares (**EpmineX Shares**) to EpmineX (or its nominees).

The Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

6.2 Listing Rule 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

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

The Epmix Shares were issued to Epmix (or its nominees) within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

The effect of Shareholders passing Resolution 3 by ratifying the issue of the Epmix Shares will be to restore the Company's ability to issue further securities, to the extent of 90,000 Equity Securities, during the next 12 months.

6.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Epmix Shares:

- (a) 90,000 Shares were issued to Epmix (or its nominees), who are not related parties of the Company;
- (b) the Epmix Shares were issued in part consideration for the Initial Purchase of 2 Licences and were therefore issued at an issue price of nil;
- (c) the Epmix Shares were issued as fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) no funds were raised from the issue of the Epmix Shares as they were issued in part consideration for the Initial Purchase of 2 Licences; and
- (e) voting exclusion statement is included in the Notice.

7. Resolution 4 - Ratification of prior issue of ESIP Shares

7.1 General

On 18 August 2017, the Company announced that the Board had approved the implementation of an employee securities incentive plan (**Plan**) designed to secure, retain and reward the performance of key executives, employees and other eligible participants in the achievement of the Company's business strategy (refer to Resolution 9).

The Company also announced that an initial allocation of 12,500,000 Shares had been made pursuant to the Plan to key employees (**ESIP Shares**). The Company has a holding lock over the ESIP Shares for a period of 12 months.

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the 12,500,000 ESIP Shares to key employees.

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 4 is an ordinary resolution.

7.2 Listing Rule 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is contained in Section 6.2.

The ESIP Shares were issued to key employees within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

The effect of Shareholders passing Resolution 4 by ratifying the issue of the ESIP Shares will be to restore the Company's ability to issue further securities, to the extent of 12,500,000 Equity Securities, during the next 12 months.

7.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of ESIP Shares:

- (a) a total of 12,500,000 Shares were issued to key employees of the Company, who are not related parties of the Company, as follows:
 - (i) 7,500,000 ESIP Shares were issued to Jane Allen; and
 - (ii) 5,000,000 ESIP Shares were issued to James Carter;
- (b) the ESIP Shares were issued for \$0.03 each, being a 36% premium to the closing price on the date of issue;
- (c) the ESIP Shares were issued as fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) no funds were raised from the issue of the ESIP Shares as the issue was funded by a limited recourse interest-free loan provided by the Company pursuant to the Plan; and
- (e) voting exclusion statement is included in the Notice.

8. Resolution 5 - Ratification of prior issue of Tranche 1 Placement Shares

8.1 General

On 27 September 2017, the Company announced that it had received binding commitments for a two-tranche placement to raise \$10 million before costs (Placement) by the issue of a total of approximately 243.9 million Shares at \$0.041 each (Placement Shares) to sophisticated and professional investors (Placement Participants).

Prior to the date of the Meeting, the Company intends to issue 95,061,395 Placement Shares to Placement Participants using the Company's placement capacity under Listing Rule 7.1 to raise approximately \$3.9 million (before costs) (Tranche 1 Placement Shares).

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of a total of 95,061,395 Tranche 1 Placement Shares to Placement Participants prior to the date of the Meeting.

Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 5.

8.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 is contained in Section 6.2.

The Tranche 1 Placement Shares will be issued to Placement Participants within the 15% annual limit permitted by Listing Rule 7.1 without the need for Shareholder approval.

The effect of Shareholders passing Resolution 5 by ratifying the issue of Tranche 1 Placement Shares will be to restore the Company's ability to issue further Equity Securities, to the extent of 95,061,395 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

8.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche 1 Placement Shares:

- (a) a total of 95,061,395 Tranche 1 Placement Shares will have been issued following the date of the Notice and prior the date of the Meeting;
- (b) the Tranche 1 Placement Shares will have been issued at \$0.041 per Share;
- (c) the Tranche 1 Placement Shares will have been issued as fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Tranche 1 Placement Shares will have been issued to Placement Participants, none of whom is a related party of the Company;
- (e) the Company intends to use the proceeds from the issue of the Tranche 1 Placement Shares to expand the Company's exploration efforts to include the direct extension of the Klondyke on the Company and Novo tenements and a number of existing prospects that host significant exploration potential, as well as for working capital; and
- (f) a voting exclusion statement is included in the Notice.

9. Resolution 6 - Approval to issue Tranche 2 Placement Shares

9.1 General

The Company does not currently have sufficient capacity available under Listing Rule 7.1 to issue the remaining 148,841,045 Placement Shares under the Placement (Tranche 2 Placement Shares).

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 148,841,045 Tranche 2 Placement Shares to Placement Participants to raise approximately \$6.1 million.

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 6.2.

The effect of Resolution 6 will be to allow the Company to issue the Tranche 2 Placement Shares during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Tranche 2 Placement Shares:

- (a) a maximum of 148,841,045 Shares are to be issued as Tranche 2 Placement Shares;
- (b) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Tranche 2 Placement Shares will be issued at \$0.041 per Share;
- (d) the Tranche 2 Placement Shares will be issued to Placement Participants, none of whom will be a related party of the Company;
- (e) the Tranche 2 Placement Shares will be issued as fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Company intends to use the proceeds from the issue of the Tranche 2 Placement Shares to expand the Company's exploration efforts to include the direct extension of the Klondyke on the Company and Novo tenements and a number of existing prospects that host significant exploration potential, as well as for working capital; and

- (g) it is intended that the Tranche 2 Placement Shares will be issued on the same date; and
- (h) a voting exclusion statement is included in the Notice.

10. Resolution 7 - Approval to issue Consideration Shares

10.1 General

On 20 September 2017, the Company announced that it had entered into a binding agreement with Novo Resources Corp. (TSX.V:NVO) (**Novo**), to form a joint venture under which the Company will have the right to acquire a 70% interest in Exploration Licences 45/3381, 45/4194, 45/4622, 45/4666 and Prospecting Licences 45/2661, 45/2662, 45/2781 (**Tenements**) and all related technical information held by Novo (**Acquisition**).

The Acquisition is conditional upon satisfaction or waiver of the following conditions precedent by 19 March 2018 or such longer period as the parties agree:

- (a) the Company completing due diligence on the Tenements and the holder(s) of the Tenements within 60 days of the execution of the agreement to its sole satisfaction;
- (b) the parties obtaining all necessary governmental consents and approvals to the Acquisition; and
- (c) the Company obtaining all necessary regulatory and shareholder approvals to complete the Acquisition (including under Resolution 7).

Subject to the Company issuing Novo (or its nominees) 20,000,000 Shares in consideration for the earn-in right (**Consideration Shares**), the Company may earn an interest in the Tenements by expending \$2,000,0000 within 3 years from the date of issue of the Consideration Shares to acquire a 70% interest in the Tenements and associated mining information.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Consideration Shares to Novo (or its nominees).

The Board recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is an ordinary resolution.

10.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 6.2.

The effect of Resolution 7 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

10.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Consideration Shares:

- (a) a maximum of 20,000,000 Shares are to be issued as Consideration Shares;
- (b) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Consideration Shares will be issued for nil cash consideration as part consideration for the Acquisition and the earn-in right;
- (d) the Consideration Shares will be issued to Novo (or its nominees), none of whom is a related party of the Company;
- (e) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Consideration Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of the Consideration Shares will occur on the same date; and
- (h) a voting exclusion statement is included in the Notice.

11. Resolution 8 - Approval of 10% Placement Facility

11.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the ASX closing price on 26 September 2017, the Company has a market capitalisation of approximately \$33.6 million. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

11.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities, Shares and Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

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

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of the Meeting, the Company expects to have on issue 825,327,440 Shares (assuming the Tranche 1 Placement Shares are issued) and have the capacity to issue:

- (i) 123,799,116 Equity Securities under Listing Rule 7.1 (subject to Shareholder approvals being sought under Resolutions 3, 4 and 5); and
- (ii) 82,532,744 Equity Securities under Listing Rule 7.1A (subject to Shareholder approval being sought under this Resolution 8).

Following the Meeting, and subject to Shareholders also approving Resolutions 6 and 7, the Company intends to issue up to a further 168,841,044 Shares, increasing the Company's capacity to issue Equity Securities under Listing Rules 7.1 and 7.1A proportionately.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 11.2(c)).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

11.3 Listing Rule 7.1A

The effect of Resolution 8 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

11.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) Minimum issue price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days on which trades in that class were recorded immediately before:

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

If the Equity Securities are issued for non-cash consideration, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

(b) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows:

- (iii) the dilution of existing Shareholders on the basis of the current market price of Shares and the expected number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Meeting

(assuming that the Tranche 1 Placement Shares have been issued);

- (iv) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (v) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2* | | Dilution | | |
|---|------------------------|---|------------------------|--|
| | | \$0.023 50% decrease in Issue Price | \$0.046 Issue Price | \$0.092 100% increase in Issue Price |
| Current Variable A 825,327,440 Shares | 10% Voting Dilution | 82,532,744 Shares | 82,532,744 Shares | 82,532,744 Shares |
| | Funds raised | \$1,898,253 | \$3,796,506 | \$7,593,012 |
| 50% increase in current Variable A 1,237,991,160 Shares | 10% Voting Dilution | 123,799,116 Shares | 123,799,116 Shares | 123,799,116 Shares |
| | Funds raised | \$2,847,380 | \$5,694,759 | \$11,389,519 |
| 100% increase in current Variable A 1,650,654,880 Shares | 10% Voting Dilution | 165,065,488 Shares | 165,065,488 Shares | 165,065,488 Shares |
| | Funds raised | \$3,796,506 | \$7,593,012 | \$15,186,025 |

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

The table has been prepared on the following assumptions:

1. The Company has issued 95,061,405 Tranche 1 Placement Shares.
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
3. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.

4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
6. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
7. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
8. The issue price is \$0.046 being the closing price of the Shares on ASX on 26 September 2017.

(c) Final date for issue

The Company will only issue the Equity Securities during the 10% Placement Period.

(d) Purposes of issues under 10% Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) cash consideration, in which case the Company intends to use funds raised for the acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and scoping and feasibility study expenditure on the Company's current assets and/or general working capital; or
- (ii) non-cash consideration for the provision of services to the Company or the acquisition of new projects, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(f) **Issues in the past 12 months**

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

12. Resolution 9 - Approval of Employee Securities Incentive Plan

12.1 General

Resolution 9 seeks Shareholders' approval for the adoption of the employee incentive scheme titled "Calidus Resources Limited Employee Securities Incentive Plan" (Plan) in accordance with Listing Rule 7.2 exception 9(b).

The objective of the Plan is to attract, motivate and retain key Directors, employees and contractors and it is considered by the Company that the adoption of the Plan and the future issue of Equity Securities under the Plan will provide selected participants with the opportunity to participate in the future growth of the Company.

A summary of the key terms and conditions of the Plan is set out in Schedule 2. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Joint Company Secretaries. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

12.2 Listing Rules 7.1 and 7.2, exception 9(b)

A summary of Listing Rule 7.1 is contained in Section 6.2.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that the Plan has not previously been approved by Shareholders and 12,500,000 Shares have previously been issued under the Plan (refer to Resolution 4).

Any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

13. Resolution 10 - Approval of potential termination benefits under the Employee Securities Incentive Plan

13.1 General

Subject to Shareholder approval of Resolution 9, Shareholder approval is also sought for all purposes including Part 2D.2 of the Corporations Act and Listing Rule 10.19 to approve the giving of benefits under the Plan to a person by the Company in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company (or subsidiary of the Company) on the terms and conditions in this Explanatory Memorandum.

If Resolution 9 is not approved at the Meeting, Resolution 10 will not be put to the Meeting.

Under the terms of the Plan, where a participant ceases employment or office before the vesting of their convertible Securities, the Board possesses the discretion to determine, that some or all of their convertible Securities will not lapse. The Board's current intention is to only exercise this discretion:

- (a) where the person leaves employment or office without fault on their part; and
- (b) so as only to preserve that number of unvested convertible Securities as are pro rata-ed to the date of leaving.

The exercise of this discretion by the Board may constitute a "benefit" for the purposes of section 200B of the Corporations Act and Listing Rule 10.19. The

Company is therefore seeking Shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Plan who holds:

- (a) a managerial or executive office in, or is an officer of, the Company (or subsidiary of the Company) at the time of their leaving or at any time in the three years prior to their leaving; and
- (b) Securities under the Plan at the time of their leaving.

Resolution 10 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 10.

13.2 Value of the termination benefits

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's Share price at the time of vesting and the number of convertible Securities that will vest. The following additional factors may also affect the benefit's value:

- (a) the participant's length of service and the status of the vesting conditions attaching to the relevant convertible Securities at the time the participant's employment or office ceases; and
- (b) the number of unvested convertible Securities that the participant holds at the time they cease employment or office.

13.3 Part 2D.2 of the Corporations Act

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies. Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

13.4 Listing Rule 10.19

Listing Rule 10.19 provides that, without the approval of ordinary shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company's equity interests as set out in its latest accounts given to ASX (being the accounts for the financial year ended 30 June 2017 was \$5,982,108, 5% of which

is approximately \$300,000. Although the Board considers it unlikely that the value of the termination benefits may exceed this 5% threshold, due to the uncertainty regarding the value of the benefits at the time such benefits may crystallise, it is prudent to obtain Shareholder approval for the purposes of Listing Rule 10.19. Accordingly, Shareholder approval is being sought in case the value of the termination benefits exceeds this 5% threshold.

14. Resolution 11 - Replacement of Constitution

14.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and the Listing Rules.

This will incorporate amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted in 1999.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Joint Company Secretaries. Shareholders are invited to contact the Company if they have any queries or concerns.

The Board recommends that Shareholders vote in favour of Resolution 11.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

14.2 Summary of material proposed changes

(a) Fee for registration of off market transfers (clause 8.6)

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.6 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(b) Dividends (clause 14)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

(c) Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved

by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

While the original Constitution included a provision regarding proportional takeover bids, this provision has since ceased to have effect.

14.3 Information required by section 648G of the Corporations Act

(a) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;

- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
 - (ii) lost opportunity to sell a portion of their Shares at a premium; and
 - (iii) the likelihood of a proportional takeover bid succeeding may be reduced.
- (e) Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 11.

15. Resolution 12 - Approval of appointment of Auditor

The Board has been satisfied with the services of RSM Australia Partners as auditor of the Company and thanks RSM Australia Partners for these services. However, given Moore Stephens WA's involvement as auditor of the Company's wholly owned subsidiaries, Keras (Gold) Australia Pty Ltd and Keras (Pilbara) Gold Pty Ltd, it was considered preferable to engage Moore Stephens WA as the auditor of the Company.

As a consequence, the Company requested RSM Australia Partners apply to ASIC under subsection 329(5) of the Corporations Act for consent to resign as auditor of the Company. Following ASIC approval of RSM Australia Partners' resignation, the Board appointed Moore Stephens WA as auditor of the Company under section 327C of the Corporations Act. Under section 327B of the Corporations Act, the Company must appoint an auditor of the Company to fill any vacancy in the office of auditor at the next AGM.

In accordance with section 328B of the Corporations Act, the Company has received written notice of nomination from a member of the Company for Moore Stephens WA to be appointed as the Company's auditor. A copy of the notice of nomination is attached to this Explanatory Memorandum as Annexure A. Moore Stephens WA has given its written consent to act as the Company's auditor (subject to shareholder approval).

Resolution 12 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 12.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

10% Placement Facility has the meaning given in Section 11.1.

10% Placement Period has the meaning given in Section 11.2(f).

\$ or A\$ means Australian Dollars.

Article means an article of the Proposed Constitution.

ASX means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Clause means a clause of the Constitution.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Calidus Resources Limited (ACN 006 640 553).

Constitution means the constitution of the Company as at the date of the Meeting.

Consideration Shares means the 20,000,000 Shares to be issued to Novo (or its nominees), which are the subject of Resolution 7.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Epmix means Epmix WA Pty Ltd (ACN 604 809 216).

Epmix Shares means the 90,000 Shares issued to Epmix which are the subject of Resolution 3.

Equity Security has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

ESIP Shares means the 12,500,000 Shares issued under the Plan to key employees which are the subject of Resolution 4.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Joint Company Secretaries means the joint company secretaries of the Company, Mr James Carter and Ms Kyla Garic.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

May Prospectus means the Company's prospectus dated 8 May 2017.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Novo means Novo Resources Corp. (BC0864970) and certain of its Australian subsidiaries.

Placement has the meaning given in Section 8.1.

Placement Participants has the meaning given in Section 8.1.

Placement Shares means the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

Plan means the Company's Employee Securities Incentive Plan, a summary of which is set out in Schedule 2.

Proposed Constitution has the meaning given in Section 14.1.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Security means any Equity Securities of the Company.

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

Shareholder means a shareholder of the Company.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Tranche 1 Placement Shares means the 95,061,395 Shares to be issued under the Placement following the date of the Notice and prior to the date of the Meeting, which are the subject of Resolution 5.

Tranche 2 Placement Shares means up to 148,841,045 Shares to be issued under the Placement, which are the subject of Resolution 6.

WST means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 - Summary of Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Loan):** Subject to applicable laws, the Company may invite an Eligible Participant to apply for a limited recourse loan on the terms set out in the Plan, the relevant invitation and loan facility to enable the Eligible Participant to acquire Securities. The Securities will be subject to a holding lock and the Company will retain a lien over the relevant Securities until the loan is repaid in full. If a loan is not repaid in full by the relevant date for repayment, the Company may, in the Board's sole discretion, sell the relevant Securities and apply the proceeds of the sale towards repayment of the loan and any accrued interest, with the balance (if any) after payment of sale costs returned to the Participant.
6. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
7. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right),

subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

8. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
9. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

10. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
11. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the

Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
12. **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
13. **(Rights attaching to Plan Shares)**: All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. Subject to the existence of any outstanding loan under paragraph 5, a Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
14. **(Disposal restrictions on Plan Shares)**: If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
15. **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise

determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

16. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
17. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect. No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
18. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants. If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Annexure A - Notice of Nomination of Auditor

22 September 2017

The Board of Directors - Calidus Resources Limited (Company)

Dear Sirs

NOMINATION OF MOORE STEPHENS WA AS COMPANY AUDITOR

Pursuant to section 328B(1) of the Corporations Act, James Carter of 14 Campbell Street Subiaco WA 6008 being a member of the Company, nominates Moore Stephens WA of Level 15, Exchange Tower, 2 The Esplanade, Perth, Western Australia to be appointed as auditor of the Company at the Company's upcoming annual general meeting.

A handwritten signature in black ink, appearing to read 'James Carter', is written over a faint rectangular stamp.

Signed by James Carter

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: CAI

Your proxy voting instruction must be received by **11.00am (WST) on Sunday, 29 October 2017**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal:
<https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided. **By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting 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.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Holder Number:

STEP 1: Please appoint a Proxy

Complete and return this form as instructed only if you do not vote online

I/we being a Shareholder entitled to attend and vote at the Annual General Meeting of the Company, to be held at 11.00am (WST) on Tuesday, 31 October 2017 at The Celtic Club (Inc), 48 Ord Street, West Perth, WA hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

[Empty box for appointing a proxy]

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 9 and 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 9 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

Table with 3 columns: Resolutions, For, Against, Abstain. Contains 12 rows of resolutions with corresponding voting boxes.

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

STEP 3: Sign

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Signature lines for Individual or Securityholder 1, Securityholder 2, and Securityholder 3.

Contact Name..... Contact Daytime Telephone..... Date ____ / ____ / ____

Email Address _____

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).

STEP 4: Return

Return your completed form:



BY MAIL

Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012



IN PERSON

Automic Registry Services
Level 3, 50 Holt Street,
Surry Hills NSW 2010

Contact us – All enquiries to Automic:



WEBCHAT

https://automic.com.au/



EMAIL

hello@automic.com.au



PHONE

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)