

**AUS ASIA MINERALS LIMITED  
(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)  
ACN 121 969 819**

**NOTICE OF GENERAL MEETING**

**TIME: 11.00am**

**DATE: Thursday 15 March 2018**

**PLACE: PITCHER PARTNERS, LEVEL 1, 914 HAY STREET, PERTH WA 6000**

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Deed Administrators on (+61 8) 9322 2022.

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## IMPORTANT INFORMATION

### **Time and place of meeting**

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am on Thursday 15 March 2018 at:

Pitcher Partners

Level 1

914 Hay Street

PERTH WA 6000

### **Your vote is important**

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

### **Voting eligibility**

The Deed Administrators have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 (WST) on 13 March 2018.

### **Voting in person**

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

### **Voting by proxy**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- A. each member has a right to appoint a proxy;
- B. the proxy need not be a member of the Company; and
- C. a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

#### **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**:

- A. 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); and
- B. if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- C. if the proxy is the 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
- D. 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).

#### **Transfer of non-chair proxy to chair in certain circumstances**

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

- A. an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- B. the appointed proxy is not the chair of the meeting; and
- C. at the meeting, a poll is duly demanded on the resolution; and
- D. either of the following applies:
  - (a) the proxy is not recorded as attending the meeting;
  - (b) 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.

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## BUSINESS OF THE MEETING

### Agenda

**Important:** Each Resolution is subject to, and conditional on, each of the DOCA Resolutions being passed. Accordingly, the Resolutions should be considered collectively as well as individually. If the Shareholders do not approve the DOCA Resolutions, then the Deed Administrators, shall, in the absence of an alternative proposal, have no other option but to recommend to the Creditors that the Company be placed into liquidation.

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#### 1. Resolution 1 – Consolidation of Capital

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

*"That, subject to all other DOCA Resolutions being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every 200 Shares be consolidated into 1 Share; and*
- (b) every 200 Options be consolidated into 1 Option (and the exercise price of the Options be adjusted in accordance with the ASX Listing Rules),*

*and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."*

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#### 2. Resolution 2 – Placement of Shares

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

*"That, subject to all other DOCA Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 57,500,000 Shares at \$0.02 per Share (all on a post-Consolidation basis) to Exempt Investors to raise up to \$1,150,000 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. Resolution 3 – Grant of Options to Advisors

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

*"That, subject to all other DOCA Resolutions being passed, for the purposes of*

*ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant up to 57,500,000 Options exercisable at \$0.04 per Option (all on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. Resolution 4 – Issue of Shares to Advisors

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

*“That, subject to all other DOCA Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares (all on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. Resolution 5 – Appointment of Mr Faldi Ismail as a Director

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

*“That, subject to all other DOCA Resolutions being passed, for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Faldi Ismail is appointed as a Director of the Company with effect from close of the General Meeting.”*

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#### 6. Resolution 6 – Appointment of Mr Nicholas Young as a Director

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

*“That, subject to all other DOCA Resolutions being passed, for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Nicholas Young is appointed as a Director of the Company with effect from close of the General Meeting.”*

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7. Resolution 7 – Appointment of Ms Kyla Garic as a Director

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

*“That, subject to all other DOCA Resolutions being passed, for the purposes of clause 13.3 of the Constitution and for all other purposes, Ms Kyla Garic is appointed as a Director of the Company with effect from close of the General Meeting.”*

**DATED: 13 February 2018**

**DANIEL BREDEKAMP**

**JOINT AND SEVERAL DEED ADMINISTRATOR**

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## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Deed Administrators believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. Background

#### 1.1 Administration and the DOCA

The Company was incorporated in Western Australia on 28 September 2006 as Coal FE Resources Limited and became listed on the ASX on 12 April 2007. It has primarily operated as a coal exploration and development company with assets in Indonesia.

On 28 August 2017, Renee O'Driscoll and Daniel Bredenkamp of Pitcher Partners were appointed as joint and several administrators of the Company (**Administrators**) by the Secured Creditor pursuant to the General Security Deed.

At the Creditors' Meeting held on 31 October 2017, the creditors of the Company resolved that the Company enter into a deed of company arrangement pursuant to Part 5.3A of the Corporations Act with Otsana Pty Ltd (**Otsana**) and that Renee O'Driscoll and Daniel Bredenkamp be appointed as joint and several deed administrators (**Deed Administrators**).

On or about 21 November 2017, the Company, the Deed Administrators and Otsana entered into a Deed of Company Arrangement (**DOCA**), which, among other things, embodied a proposal by Otsana for the recapitalisation of the Company dated 24 October 2017 (**Recapitalisation Proposal**).

A summary of the DOCA is set out in Section 1.2.

The purpose of this Notice is to, among other things, allow the Company to consolidate its securities and to raise capital under the capital raising set out in Section 1.4 (**Capital Raising**) under the terms of the Recapitalisation Proposal.

Shareholders are urged to give careful consideration to this Notice and the Explanatory Statement.

In considering the Resolutions, Shareholders must bear in mind the Company's current financial circumstances. In this regard, Shareholders should note that the Securities of the Company have been suspended from trading since 16 March 2016 and the Company requires recapitalisation and execution of a plan that is acceptable to the ASX to enable re-quotations of its Securities on the ASX. The Resolutions contained in this Notice are therefore important and affect the future of the Company.

The Deed Administrators considered in the Administrators' Report to creditors pursuant to section 439A of the Corporations Act 2001 dated 24 October 2017 that the Recapitalisation Proposal would result in a greater return to Creditors than the Company being placed in liquidation. The proposed new board of Directors also believe they will be able to facilitate the re-quotations of the Company's securities on the ASX. In the event that Shareholders do not approve the proposed restructure and recapitalisation at the forthcoming General Meeting, the Deed Administrators will consider other options for the future of the Company, which may include liquidation (unless otherwise agreed between the Otsana and the Deed Administrators and in the absence of an alternative proposal). If the Company proceeds into liquidation there is not expected to be a return to Shareholders.

Following the completion of the Capital Raising, the Company intends to identify and assess potential acquisition opportunities of a material asset and undertake a reverse takeover. In doing so, the Company will likely be required to re-comply with Chapters 1 and 2 of the Listing Rules and be reinstated to the Official List. Upon reinstatement to the Official List, the Company's securities will be released from suspension and will resume trading on the ASX.

The Deed Administrators have not prepared the Notice of Meeting, the Explanatory Statement or the Proxy Form. Accordingly, the Deed Administrators, their agents and employees do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in those documents and accept no responsibility or liability for the content of these documents, or failure to include any information or disclosures in these documents which have been prepared by Otsana.

## 1.2 Deed of Company Arrangement

The key terms of the DOCA are as follows.

- (a) The Deed Administrators are to establish a fund (**Deed Fund**) for the benefit of the Deed Administrators and the Company's Creditors, into which the following moneys are to be paid:
  - (i) \$40,000 in the form of a non-refundable deposit loaned by Otsana to the Company upon Shareholders holding at least 15% of the Company's Shares advising Otsana in writing that they intend to vote in favour of the DOCA Resolutions in a form acceptable to Otsana (**Otsana Deposit**), which deposit has been paid. At Otsana's discretion, the Company will repay Otsana an amount equal to the Otsana Deposit (in satisfaction of its loan) within 20 Business Days after the earlier of the completion or termination of the DOCA or alternatively, subject to Shareholder approval of Resolution 2, Otsana will be issued 2,000,000 Shares at a deemed issue price of \$0.02 per Share which shall form part of the Placement. The Deed Administrators do not assume personal liability for this repayment;
  - (ii) \$610,000 to be provided by Otsana (or its nominees) (**Otsana Capital Payment**) subject to satisfaction or waiver of the conditions precedent to the completion of the DOCA, as detailed below. This amount forms part of the Placement the subject of Resolution 2;
  - (iii) all cash on hand or at bank held by the Administrators or the Company, (excluding funds to be raised by the Company pursuant to the Recapitalisation Proposal which funds do not form part of the Otsana Deposit and Otsana Capital Payment); and
  - (iv) all and any other assets of the Company held by the Company as at the date the DOCA is completed, other than those nominated in writing by Otsana prior to completion of the DOCA.
- (b) Completion under the DOCA is subject to the satisfaction or waiver of following conditions precedent on or before the Due Date:
  - (i) the Secured Creditor providing appropriate documentation (to be



held in escrow until receipt of the Otsana Capital Payment) to procure the Security being discharged and released as at completion of the DOCA, in a form satisfactory to Otsana;

- (ii) Shareholders approving the DOCA Resolutions;
  - (iii) the termination of all employment and service contracts by which the Company may be bound as at the DOCA execution date;
  - (iv) all subsidiaries of the Company (other than those advised in writing by Otsana) being either transferred to the Creditors Trust or to another subsidiary (at the discretion of the Deed Administrators) that is in liquidation, deregistered or liquidated, at no cost (after completion of the DOCA) to the Company or Otsana;
  - (v) the Deed Administrators causing the current Directors of the Company to be removed and appointing the Otsana nominees as Directors of the Company;
  - (vi) the Creditors' Trust being executed and delivered to the parties;
  - (vii) the Deed Administrators providing Otsana with written confirmation that, on and from completion of the DOCA, the Company will be free of any debts and liabilities incurred by the Company between the Appointment Date and completion other than under or as envisaged by the DOCA; and
  - (viii) Otsana being satisfied, acting reasonably, that the Company, and any subsidiaries that Otsana advises in writing are to be retained by the Company, continue to retain mineral rights interests (including shareholdings in other entities that hold mineral rights interests) as advised by Otsana in writing to the Deed Administrators.
- (c) On completion of the DOCA:
- (i) Otsana will pay, or procure the payment of, the Otsana Capital Payment (as a subscription for securities under the Placement to be issued to Otsana or its nominees following completion of the DOCA and the Consolidation in accordance with the Recapitalisation Proposal) to the Deed Administrators to hold in the Deed Fund;
  - (ii) the Company and the Trustee will enter into the Creditors' Trust Deed, the Deed Fund moneys will be paid to the Trust Fund established under the Creditors' Trust Deed, and the following will occur:
    - (A) the Company will be released from all claims of creditors, the circumstances giving rise to which occurred on or before the Appointment Date;
    - (B) such claims of creditors will be extinguished as against the Company and will be replaced by an entitlement to claim as a beneficiary of the Creditors' Trust;
    - (C) the Security will be released; and
    - (D) the DOCA will be effectuated and will terminate and the

Deed Administrators must notify ASIC that the DOCA has been fully effectuated.

Upon termination of the DOCA, the Deed Administrators will return control of the Company to the Directors nominated by Otsana and retire from their office as Deed Administrators.

The DOCA contains other provisions considered standard for documents of this nature.

The Company anticipates that the DOCA will be completed and fully effectuated shortly after Shareholders approve the DOCA Resolutions.

### **1.3 Creditors' Trust Deed**

Immediately before the completion of the DOCA, the Company and the Trustee will execute the Creditors' Trust Deed. The Deed Fund moneys are to be paid into the Trust Fund established under the Creditors' Trust Deed, and the Trustee will hold the Trust Fund moneys pursuant to the terms of the Creditors' Trust Deed.

The only moneys available for distribution to Creditors are the moneys of the Trust Fund, to be distributed according to the order of priority set out in the Creditors' Trust Deed.

The DOCA and the Creditors' Trust Deed may be pleaded by the Company against any Creditor in bar of any debt or Claim admissible under the Creditors' Trust Deed or DOCA. The Creditors must accept their entitlements under the Creditors' Trust Deed and must, if called upon, execute and deliver to the Trustee, Company and Directors such forms of release as the Trustee requires. Upon payment of the final dividend or the expiry of the perpetuity period, the Trust will terminate and the Trustee will resign.

The Creditors' Trust Deed contains other provisions considered standard for documents of this nature.

Under the Recapitalisation Proposal, the Proponent is required to, subject to Shareholder approval, facilitate the Placement as described below.

### **1.4 Capital Raising**

The Company intends to raise up to \$1,150,000 by issuing up to 57,500,000 Shares (on a post Consolidation basis) at an issue price of \$0.02 each to Exempt Investors identified or introduced by Otsana (**Placement**). As noted above, the Otsana Capital Payment forms part of the Placement, and Otsana may also elect to be issued Shares in repayment of the Otsana Deposit as part of the Placement.

Funds raised under the Placement will be used in accordance with the table set out in Section 1.6.

### **1.5 Financial Effect of Placement**

The completion of the Placement will increase the Company's cash balance by up to \$1,150,000 (before costs) and also increase the Company's issued capital by the same amount.

In the event that the Placement and the DOCA are completed, all assets currently under the control of the Deed Administrators will be transferred to the Creditors' Trust

and all Claims of the Company's Creditors will be released and replaced by claims as beneficiaries of the Creditors' Trust. The Company's only asset will be the cash raised under the Placement, less any amounts expended in accordance with the table set out in Section 1.6 and the only liabilities will be those incurred in relation to the items set out in Section 1.6.

The Company has not presented pro forma financial information in relation to the transactions as recent historical audited financial information is not available owing to the Company being in administration. In addition, the Deed Administrators are of the opinion that to present a financial position based on this historical information would not be representative of the Company's current financial position.

## 1.6 Proposed use of funds

The Company intends to use the funds raised from the Placement as follows:

Item	Amount
Deed Fund under the Creditors' Trust Deed pursuant to the DOCA	\$650,000
Expenses of the Recapitalisation Proposal (including advisor fees)	\$150,000
General working capital	\$350,000
<b>Total</b>	<b>\$1,150,000</b>

Notes:

1. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

## 1.7 Control Implications

No Shares will be issued to a person pursuant to Resolution 2 if it would result in a person obtaining a Voting Power in the Company of 20% or greater, or a person increasing its Voting Power from a position that is above 20%. Therefore, although existing Shareholders will be diluted by the issues of Shares, the Company does not anticipate that any of the Exempt Investors will have Voting Power in the Company above 20%. Accordingly, the Company is not seeking shareholder approval under s611 of Item 7 for the purposes of Resolution 2.

A table showing the impact of the various issues of securities pursuant to this Notice on the aggregated Shareholding interests of existing Shareholders is set out below (on a post Consolidation basis).

	Before		After	
	# Shares	% of Shares	# of Shares	% of Shares
<b>Change as a result of Share issue only</b>				
Existing	3,938,591	100%	3,938,591	4.84%

Shareholders				
Others	0	0%	77,500,000	95.16%
<b>Change as a result of Shares and Options issued on a fully diluted basis<sup>1</sup></b>				
Existing Shareholders	4,308,591	100%	4,308,591	3.09%
Others	0	0%	135,000,000	96.91%

<sup>1</sup> Assumes all existing Options and all Options the subject of Resolution 3 are issued and exercised.

It is not known if there will be Exempt Investors above 5% voting power at this stage.

## 2. Resolution 1 – Consolidation of Capital

### 2.1 Background

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 787,718,100 to 3,938,591 (subject to rounding); and
- (b) Options on issue will be reduced from 74,000,000 to 370,000 (subject to rounding).

### 2.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

### 2.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

### 2.4 Taxation

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

### 2.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held

prior to disposal or exercise (as the case may be).

## 2.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Unlisted Options <sup>1</sup>
Pre-Consolidation Securities	787,718,100	74,000,000
Post 200:1 Consolidation of Securities (Resolution 1)*	3,938,591	370,000

### Notes

\* subject to rounding

1. The terms of these Options are set out in the table below.

ASX Listing Rule 7.22.1 requires that in a consolidation of capital, the number of options of a company must be consolidated in the same ratio as ordinary securities, and the exercise price of the options must be amended in inverse proportion to that ratio. The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

## 2.7 Options – Pre-Consolidation

Terms	Number
Options exercisable at \$0.02 each on or before 20 October 2018	4,000,000
Options exercisable at \$0.005 each on or before 30 June 2019	70,000,000
<b>Total</b>	<b>74,000,000</b>

## 2.8 Options – Post-Consolidation

Terms	Number
Options exercisable at \$4 each on or before 20 October 2018	20,000
Options exercisable at \$1 each on or before 30 June 2019	350,000
<b>Total</b>	<b>370,000</b>

## 2.9 Indicative timetable\*

If this Resolution is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	13 February 2018
Company tells ASX that Shareholders have approved the Consolidation.	15 March 2018
Last day for Company to register transfers on a pre-Consolidation basis.	16 March 2018
First day for Company to send notice to each holder of the change in their details of holdings.	20 March 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Issue date.	26 March 2018
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

### 3. Resolution 2 – Placement of Shares

#### 3.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 57,500,000 Shares at an issue price of \$0.02 per Share to raise up to \$1,150,000 (all on a post-Consolidation basis) (**Placement**). As noted above, the Otsana Capital Payment forms part of the Placement, and Otsana may also elect to be issued Shares in repayment of the Otsana Deposit as part of the Placement.

ASX 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.

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

#### 3.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is 57,500,000 (on a post-Consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the Meeting

(or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (c) the issue price will be \$0.02 per Share (on a post-Consolidation basis);
- (d) the Deed Administrator (in consultation with Otsana) will determine the Exempt Investors to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards to funding the recapitalisation of the Company (including payment to the Creditors' Trust under the DOCA) with remaining funds being used for working capital purposes.

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## 4. Resolution 3 – Grant of Options to Advisor

### 4.1 General

Resolution 3 seeks Shareholder approval for the grant of 57,500,000 Options in consideration for advisory services provided by Otsana (**Advisor**) (on a post-Consolidation basis) in relation to the recapitalisation of the Company (**Option Placement**).

ASX 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.

The effect of Resolution 3 will be to allow the Company to grant the Options pursuant to the Option Placement 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.

### 4.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be granted is 57,500,000;
- (b) the Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be granted for nil cash consideration in satisfaction of advisory services provided by the Advisor in relation to the recapitalisation of the Company;
- (d) the Options will be issued to Otsana or its nominees, none of whom is not a related party of the Company;

- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the Option Placement as the Options are being issued in consideration for advisory services provided by the Advisor in relation the recapitalisation of the Company.

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## 5. Resolution 4 – Issue of Shares to Advisor

### 5.1 General

Resolution 4 seeks Shareholder approval for the grant of 20,000,000 Shares in consideration for advisory services provided by the Advisor (on a post-Consolidation basis) in relation to the recapitalisation of the Company (**Advisor Share Placement**).

ASX 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.

The effect of Resolution 3 will be to allow the Company to issue the Shares pursuant to the Advisor Share Placement 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.

### 5.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be granted is 20,000,000;
- (b) the Shares will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares will be granted for nil cash consideration in satisfaction of advisory services provided by the Advisor in relation to the recapitalisation of the Company;
- (d) the Shares will be issued to Otsana or its nominees, none of whom is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Advisor Share Placement as the Shares are being issued in consideration for advisory services provided by the Advisor in relation the recapitalisation of the Company.

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## 6. Resolutions 5 to 7 – Appointment of new Directors

### 6.1 General



Clause 13.3 of the Company's constitution provides that:

- (a) the Company's Shareholders in general meeting may appoint new Directors of the Company;
- (b) the appointment of a person as a Director at a general meeting will take effect from the end of the meeting unless the Resolution otherwise states;
- (c) the appoint of a person as a Director at a general meeting is subject to the Company receiving at its registered office at least 30 business days before the meeting a written nomination from the person or a Shareholder duly signed by the nominee and giving his or her consent to the nomination; and
- (d) notice of every candidature for election as Director shall be given to Shareholders with or as part of the notice of meeting.

Having received nominations for the following persons to be appointed as new Directors of the Company, and having received consents to act as a Director from each such person, Resolutions 5 to 7 respectively seek Shareholder approval for the appointment of the following persons as Directors effective from the close of the General Meeting:

- (a) Mr Faldi Ismail – Resolution 5;
- (b) Mr Nicholas Young – Resolution 6; and
- (c) Ms Kyla Garic – Resolution 7.

The nominations for the above persons as Directors are set out in Schedules 2 to 4.

A summary of experience of each of the proposed Directors is set out below.

## **6.2 Mr Faldi Ismail**

Mr Ismail has significant experience working as a corporate advisor specialising in the restructure and recapitalisation of a wide range of ASX-listed companies having many years of investment banking experience covering a wide range of sectors. He has significant cross-border experience, having advised on numerous overseas transactions including capital raisings, structuring of acquisitions and joint ventures in numerous countries.

Mr Ismail is the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers and acquisitions, reverse takeovers, capital raisings and initial public offerings. Mr Ismail is currently a non-executive director of dual listed Asiamet Limited (TSXV/AIM listed – Ticker Code "ARS") and several ASX listed Company's.

## **6.3 Mr Nicholas Young**

Mr Young holds a Bachelor of Commerce, majoring in Accounting and Finance, is a Chartered Accountant and has completed the Insolvency Education Program at the Australian Restructuring Insolvency and Turnaround Association. Nicholas commenced his career in the Corporate Restructuring division of an accounting firm and has gained valuable experience in Australia and Southern Africa, across a wide range of industries. Mr Young has been involved in the recapitalisation of various ASX-listed companies and is currently a non-executive director of Vysarn Limited (ASX: VSY) and A.C.N 009 161 522 Limited (ASX: SZG).

#### **6.4 Ms Kyla Garic**

Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting and accounting services, including reconstruction and accounting compliance for companies undergoing recapitalisation. Ms Garic is currently a non-executive director of ASX-listed A.C.N 009 161 522 Limited (ASX: SZG).

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## GLOSSARY

**\$** means Australian dollars.

**Administrators** means Renee O'Driscoll and Daniel Bredenkamp of Pitcher Partners.

**Admitted Creditor** means any Creditor whose Claim is admitted by the Trustee under the Creditors' Trust Deed.

**Advisor** means Otsana Pty Ltd ACN 145 168 216 or its nominees.

**Advisor Option** means an Option granted pursuant to the Advisor (or its nominees) pursuant to Resolution 3 with the terms and conditions set out in Schedule 1.

**Appointment Date** means 28 August 2017, the date on which the Administrators were appointed as administrators of the Company.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

**Claim** means a debt payable by, or a claim against, the Company (present or future, certain or contingent, ascertained or sounding only in damages or by way of fine or penalty, or under a guarantee), being debts or claims the circumstances giving rise to which occurred on or before the Appointment Date or out of events or circumstances which occurred before the Appointment Date, irrespective of whether the debt or claim arose by virtue of contract, of laws (including by statute) in equity or otherwise, including but not limited to:

- (a) debts or claims against the Company arising out of a pre-administration contract, including by way of a convertible note;
- (b) claims arising out of, or in connection with or relating in any way to the termination of the employment of Employees;
- (c) a debt by way of a Superannuation Contribution; and
- (d) a debt by way of a Superannuation Guarantee Charge.

**Company** means Aus Asia Minerals Limited (Subject to a Deed of Company Arrangement) (ACN 121 969 819).

**Consolidation** means the proposed consolidation of the Company's securities the subject of Resolution 1.

**Constitution** means the Company's constitution.

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

**Creditor** means a person having a Claim against the Company.

**Creditors' Meeting** means the second meeting of the Company's creditors on 31 October 2017 convened pursuant to section 439A of the Act.

**Creditors' Trust** means the trust to be established under the Creditors' Trust Deed.

**Creditors' Trust Deed** means the trust deed to be entered into by the Company and the Trustee, pursuant to the terms of the DOCA, for and on behalf of the Company's Creditors, under which the Trustee is to hold the Trust Fund on behalf of the Admitted Creditors.

**Directors** means the current directors of the Company.

**DOCA** means the Deed of Company Arrangement executed by the Company on 21 November 2017 as announced by the Company to ASX on 23 November 2017.

**DOCA Resolutions** means Resolutions 1 to 7 inclusive.

**Due Date** means 6 months from the date the DOCA was executed or such later date as agreed in writing by the Deed Administrators and Otsana.

**Exempt Investor** means a sophisticated and/or professional investor to whom securities may be offered by the Company without disclosure under section 708 of the Corporations Act.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting or Meeting** means the meeting convened by this Notice.

**General Security Deed** means the general security deed between the Company and the Secured Creditor dated on or about 28 January 2016, including the security interests the subject of financing statement registered number 201601290062724 on the Personal Properties Securities Register maintained under the PPSA.

**Notice or Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option or Advisor Option as the context requires.

**PPSA** means the Personal Property Securities Act 2009 (Cth).

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Secured Creditor** means The Gorilla Pit Pty Ltd ACN 156 131 690.

**Security** means:

- (a) the security granted by the Company to the Secured Creditor pursuant to the General Security Deed;
- (b) a security interest that is subject to the PPSA;
- (c) any other mortgage, charge, a general or special notarial bond, pledge, hypothec or lien; or

- (d) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

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

**Shareholder** means a holder of a Share.

**Trust Fund** means all the monies and property that the Trustee is required to hold on trust pursuant to the terms of the Creditors' Trust Deed and the DOCA.

**Trustee** means the trustee of the Creditors' Trust (being a new proprietary limited company incorporated in Western Australia with Daniel Bredenkamp as its sole shareholder and director) and any successor to that office appointed pursuant to the Trustees Act.

**Trustees Act** means *Trustees Act 1962 (WA)*.

**Voting Power** has the meaning given in the Corporations Act.

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

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## SCHEDULE 1 – ADVISOR OPTION TERMS

The Options entitle the holder (**Optionholder**) to subscribe for, and be issued, ordinary shares in the capital of the Company (**Shares**) on and subject to the following terms and conditions:

- A. Each Option gives the Optionholder the right to subscribe for, and be issued, one Share.
- B. The Options will expire at 5.00pm (WST) on the date which is 3 years after the date of grant (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- C. The amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**). This amount is post the Company's proposed consolidation of securities on a 200 to 1 basis due to occur, subject to approval of the Company's shareholders, in the first half of 2018.
- D. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion on which Options are exercised.
- E. An Optionholder may exercise any Options by lodging with the Company, before the Expiry Date:
  - (a) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (b) a cheque or electronic funds transfer for the aggregate Exercise Price for the number of Options being exercised.
- F. An Exercise Notice is only effective when the Company has received the full amount of the aggregate Exercise Price in relation to the Options the subject of that Exercise Notice.
- G. By lodging an Exercise Notice, the Optionholder agrees to take the applicable Shares and agrees to be bound by the constitution of the Company.
- H. Within 10 Business Days of receipt of the Exercise Notice and the aggregate Exercise Price, the Company will allot the applicable Shares to the Optionholder.
- I. The Options are not transferable without prior approval of the board of directors of the Company (at its discretion) and will not be listed for quotation on the ASX or on any other stock exchange.
- J. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other issued fully paid Shares.
- K. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options immediately following the allotment of those Shares.
- L. If, prior to the Expiry Date, the issued capital of the Company is reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and any requirements with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- M. There are no participating rights or entitlements inherent in the Options.
- N. An Optionholder will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options except to the extent that Options are exercised prior to the 'record date' for determining entitlements for the new issue.
- O. An Option does not confer on the holder any right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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## SCHEDULE 2 – DIRECTOR NOMINATION FOR FALDI ISMAIL

8 January 2018

Aus Asia Minerals Limited  
C/- Pitcher Partners  
Level 1, 14 Hay St  
Perth WA 6000

Dear Sirs

### **Nomination as a Director**

I refer to a general meeting of shareholders of Aus Asia Minerals Limited (Subject to Deed of Company Arrangement) (ACN 121 969 819) (**Company**) proposed to be called shortly at which shareholders of the Company will consider electing new directors of the Company (**General Meeting**).

I hereby nominate myself as a proposed director of the Company subject to approval of the Company's shareholders at the General Meeting. I hereby consent to such nomination.

Yours faithfully



**FALDI ISMAIL**

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SCHEDULE 3 – DIRECTOR NOMINATION FOR NICHOLAS YOUNG

8 January 2018

Aus Asia Minerals Limited  
C/- Pitcher Partners  
Level 1, 14 Hay St  
Perth WA 6000

Dear Sirs

**Nomination as a Director**

I refer to a general meeting of shareholders of Aus Asia Minerals Limited (Subject to Deed of Company Arrangement) (ACN 121 969 819) (**Company**) proposed to be called shortly at which shareholders of the Company will consider electing new directors of the Company (**General Meeting**).

I hereby nominate myself as a proposed director of the Company subject to approval of the Company's shareholders at the General Meeting. I hereby consent to such nomination.

Yours faithfully



**NICHOLAS YOUNG**



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SCHEDULE 4 – DIRECTOR NOMINATION FOR KYLA GARIC

8 January 2018

Aus Asia Minerals Limited  
C/- Pitcher Partners  
Level 1, 14 Hay St  
Perth WA 6000

Dear Sirs

**Nomination as a Director**

I refer to a general meeting of shareholders of Aus Asia Minerals Limited (Subject to Deed of Company Arrangement) (ACN 121 969 819) (**Company**) proposed to be called shortly at which shareholders of the Company will consider electing new directors of the Company (**General Meeting**).

I hereby nominate myself as a proposed director of the Company subject to approval of the Company's shareholders at the General Meeting. I hereby consent to such nomination.

Yours faithfully



**KYLA GARIC**

# PROXY FORM

## PROXY FORM - GENERAL MEETING OF AUS ASIA MINERALS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 121 969 819

### Appointment of Proxy

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of Aus Asia Minerals Limited (subject to a deed of company arrangement) (**Company**) entitled to attend and vote at the General Meeting of the Company (**Meeting**) to be held at Pitcher Partners, Level 1, 914 Hay Street, Perth WA 6000 (WST) on 11.00am 15 March 2018 hereby appoint:

\_\_\_\_\_ or  the Chair of the Meeting as your proxy (if so please mark the box)  
Print name of Proxy

or failing the person or body corporate named, or if no person or body corporate is named or selected above, the Chair of the Meeting, as my/ our proxy to act on my/ our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted at law, as the proxy sees fit) at the Meeting and any postponement or adjournment of the Meeting.

**The Chair of the Meeting intends to vote undirected proxies in favour of each Resolution.**

### My/our Voting Instructions on Business of the Meeting

Number	Resolutions	For	Against	Abstain
1	1 – Consolidation of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	2 – Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	3 – Grant of Options to Advisor (or nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	4 – Issue of Shares to Advisor (or nominees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	5 – Election of Faldi Ismail as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	6 – Election of Nicholas Young as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	7 – Election of Kyla Garic as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**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 to be counted in computing the required majority on a poll.

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

### Signature of Member(s)

If the member(s) is an individual(s), every member is to sign:

If the member is a company, sign in accordance with Section 127(1) of Corporations Act:

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director or Sole Director and Secretary

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

Contact Name: \_\_\_\_\_

Contact Phone (daytime): \_\_\_\_\_

**AUS ASIA MINERALS LIMITED**  
**(Subject to a Deed of Company Arrangement)**  
**ACN 121 969 819**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - ) **(Individual):** Where the holding is in one name, the member must sign.
  - ) **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - ) **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - ) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Aus Asia Minerals Limited (Subject to Deed of Company Arrangement), c/- Pitcher Partners, PO BOX 7191, CLOISTERS SQUARE WA 6850; or
  - (b) facsimile to the Company on facsimile number +61 8 9322 1262; or
  - (c) email to the Company at [kandambigea@pitcher-wa.com.au](mailto:kandambigea@pitcher-wa.com.au)

so that it is received not later than 48 hours before the Meeting.

**Proxy forms received later than this time will be invalid.**