

# **Atrum Coal Limited**

ACN 153 876 861

## **Notice of Annual General Meeting**

2:00 pm (AEST)

31 May 2018

At Saxons, Room 10.6, Level 10, 10 Barrack Street, Sydney

***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 Company Secretary on +61 3 9191 0135.***

## **Time and place of Meeting and how to vote**

---

### **Time and place of Meeting**

Notice is given that the Annual General Meeting will be held at 2:00 pm AEST on 31 May 2018 at Saxons, Room 10.6, Level 10, 10 Barrack Street, Sydney.

### **Your vote is important**

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

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

### **Voting eligibility**

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00 pm AEST on 29 May 2018.

### **Voting in person**

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

### **Voting by proxy**

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 two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two 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.

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.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

***Proxy vote if appointment specifies way to vote***

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***

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:
  - (i) the proxy is not recorded as attending the meeting;
  - (ii) 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.

***Undirected vote – Resolutions 2 to 13 and 15***

Subject to the voting restrictions set out in the voting exclusion statements in respect of certain of the Resolutions, the Chairperson will vote undirected proxies on, and in favour of Resolutions 2 to 13 and 15.

***Direction to Chairman for Resolutions 1 and 14***

If the proxy is the Chairman, the Chairman can also vote undirected proxies on Resolutions 1 and 14 provided that proxy form expressly authorises the Chairman to vote on Resolutions 1 and 14 even though Resolutions 1 and 14 are connected with the remuneration of Key Management Personnel.

The Chairman will not vote any undirected proxies in relation to Resolutions 1 and 14 unless the Shareholder expressly authorises the Chairman to vote in accordance with the Chairman's stated voting intentions in their proxy form. Subject to the voting restrictions set out in the voting prohibition statements in respect of Resolutions 1 and 14, the Chairman intends to, and, if so authorized by a Shareholder, will, vote undirected proxies on, and in favour of Resolutions 1 and 14.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 2:00 pm (AEST) on 29 May 2018. Any proxy form received after that time will not be valid for the scheduled meeting.

**By hand:** Share Registry – Security Transfer Australia, Suite 913, Exchange Tower, 530 Little Collins Street, Melbourne VIC

**By mail:** Share Registry – Security Transfer Australia, PO Box 52, Collins Street West VIC 8007, Australia

**By fax:** +61 8 6365 4086

**Online:** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### **Defined terms and glossary**

Capitalised terms and certain abbreviations used in this document have the defined meanings set out in the Glossary.

### **Enquiries**

Shareholders are requested to contact the Company Secretary on +61 3 9191 0135 if they have any queries in respect of the matters set out in this Notice of Meeting or the accompanying Explanatory Statement.

## Business of the Annual General Meeting

---

### ANNUAL REPORT

To receive the Annual Report of the Company and its controlled entities for the six months ended 31 December 2017, which includes the Financial Report, the Directors' Report comprising the review of operations and the Remuneration Report, and the Independent Auditor's Report.

As a result of the financial year end change by the Company from 30 June to 31 December, the 2017 Annual Report being tabled at the Annual General Meeting is a 6-month transitional report. The financial period contained in the Annual Report is the six-month period from 1 July 2017 to 31 December 2017. Each further financial year will be for a full 12-month period ending 31 December.

Note: there is no requirement for shareholders to approve the Annual Report.

### RESOLUTIONS

#### **Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the six month period ended 31 December 2017.”*

#### ***Voting prohibition statement***

In accordance with the Corporations Act the Company will disregard any votes cast in relation to this Resolution:

- (a) by any member of the Company's Key Management Personnel, or a Closely Related Party of such a member, regardless of the capacity in which the vote is cast; and
- (b) as a proxy by a member of the Company's Key Management Personnel, or a Closely Related Party of such a member unless the vote is cast as a proxy for a person who is entitled to vote on this Resolution:
  - (i) in accordance with their directions of how to vote set out in the relevant Proxy Form; or
  - (ii) by the Chair of the Meeting pursuant to an express authorisation set out in the relevant Proxy Form.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

#### **Resolution 2 – Re-election of George Edwards as a Director**

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

*“That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, George Edwards who retires as a Director by rotation, and offers himself for re-election, be elected as a Director.”*

#### **Resolution 3 – Re-election of Charles Blixt as a Director**

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

*“That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Charles Blixt who retires as a Director by rotation, and offers himself for re-election, be elected as a Director.”*

#### **Resolution 4 – Issue of Tranche 1 Placement Options**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 30,500,000 New Options to the Tranche 1 Placees on the terms and conditions set out in the Explanatory Statement."*

##### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a 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), or an associate of those persons.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 5 – Issue of Tranche 2 Placement Securities**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 49,500,000 Shares and 49,500,000 New Options to the Tranche 2 Placees on the terms and conditions set out in the Explanatory Statement."*

##### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a 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), or an associate of those persons.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 6 – Issue of Shares and New Options to Charles Fear**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors*

*to issue 1,350,000 Shares and 1,350,000 New Options to Charles Fear, a Director of the Company, on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Charles Fear (and his associates).

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

**Resolution 7 – Issue of Shares and New Options to Max Wang**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 550,000 Shares and 550,000 New Options to Max Wang a Director of the Company, on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Max Wang (and his associates).

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

**Resolution 8 – Issue of Shares and New Options to Charles Blixt**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 550,000 Shares and 550,000 New Options to Charles Blixt, a Director of the Company, on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Charles Blixt (and his associates).

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### **Resolution 9 – Issue of Shares and New Options to George Edwards**

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

*"That, subject to the passing of each other Placement Resolution, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue 550,000 Shares and 550,000 New Options to George Edwards, a Director of the Company, on the terms and conditions set out in the Explanatory Statement."*

#### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of this Resolution by or on behalf of George Edwards (and his associates).

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### **Resolution 10 – Ratification of prior issue of 7,288,736 Shares made under ASX Rule 7.1**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 7,288,736 Shares on the terms and conditions set out in the Explanatory Statement be and is hereby ratified."*

#### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of this Resolution by any person (and their associates) who participated in the issue.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.



### **Resolution 11 – Ratification of prior issue of 19,690,490 Shares made under ASX Rule 7.1**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 19,690,490 Shares on the terms and conditions set out in the Explanatory Statement be and is hereby ratified."*

#### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by any person (and their associates) who participated in the issue.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### **Resolution 12 – Ratification of prior issue of 7,500,000 Shares made under ASX Rule 7.1**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 7,500,000 Shares on the terms and conditions set out in the Explanatory Statement be and is hereby ratified."*

#### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by any person (and their associates) who participated in the issue.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

### **Resolution 13 – Ratification of prior issue of 23,211,264 Shares made under ASX Rule 7.1A**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 23,211,264 Shares on the terms and conditions set out in the Explanatory Statement be and is hereby ratified."*

#### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of this Resolution by any person (and their associates) who participated in the issue.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 14 – Approve Employee Share Option Plan**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and all other purposes, approval is given to establish and administer the Company’s Employee Share Option Plan and for the issue of Options pursuant to the Plan as an exception to ASX Listing Rule 7.1.”*

#### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of this Resolution by any Director, other than any Director who is ineligible to participate in any employee incentive scheme in relation to the Company, and associates of those Directors.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

#### **Resolution 15 – Approval of 10% Placement Capacity**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

#### ***Voting exclusion statement***

The Company will disregard any votes cast in favour of this resolution by or on behalf of a 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) or any associates of those persons.

However, the Company need 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.
- 

**Dated: 24 April 2018.**

**By order of the Board**

A handwritten signature in dark ink, appearing to read 'J. Stedwell', written in a cursive style.

**Justyn Stedwell  
Company Secretary**

## **Explanatory Statement**

---

This Explanatory Statement has been prepared to provide information which the Directors 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.

### **ANNUAL REPORT**

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Annual Report is available on the Company's website **www.atrumcoal.com** and on the ASX website **www.asx.com.au** (ASX code: ATU) or by contacting the Company on +61 3 9191 0135.

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

Shareholders will have the opportunity to:

- (a) discuss the Annual Report for the six months ended 31 December 2017;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the Company's 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 the 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 Company Secretary at the Company's office of Unit 1B, 205-207 Johnston Street Fitzroy VIC 3065.

As a result of the financial year end change by the Company from 30 June to 31 December, the 2017 Annual Report being tabled at the Annual General Meeting is a 6-month transitional report. The financial period contained in the Annual Report is the six-month period from 1 July 2017 to 31 December 2017. Each further financial year will be for a full 12-month period ending 31 December.

### **RESOLUTIONS**

#### **Resolution 1 – Adoption of Remuneration Report**

##### ***General***

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the six month period ended 31 December 2017.

The Remuneration Report sets out details of the remuneration received by the directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks shareholder approval of the adoption of the Remuneration Report by the Company. The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act provide for a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report. Those sections provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the following annual general meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that annual general meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Board believes the remuneration of the Company's Key Management Personnel is appropriate and in line with market rates. The Remuneration Report is set out in the Company's 2017 Annual Report.

Shareholders entitled to vote on Resolution 1, who appoint as their proxy, a member of the Company's Key Management Personnel or a Closely Related Party (other than the Chair), should direct their proxy as to how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1. Failing to direct such a proxy will result in that Shareholder's vote on Resolution 1 being disregarded.

## **Resolution 2 – Re-election of George Edwards as a Director**

### ***Background***

A director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides, subject to clause 17.4, that one third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one third, and any other Director not in such one third who has held office for 3 years or more (except the Managing Director), must retire from office at the annual general meeting every year. Clause 13.2 provides that a retiring Director is eligible for re-election.

### ***Candidate profile***

George Edwards is a metallurgy graduate from the University of New South Wales, and has spent his life in the coal sector, initially in metallurgy, then establishing, operating and selling his own export coal mines, in coal negotiations and trade missions around the world, and then in trading coal shipments. He has worked for BHP, Coal and Allied, the Joint Coal Board and was latterly Chief Executive Officer in Australia for Consolidation Coal Company of the USA (now Consol Energy). Since establishing his own companies 32 years ago he has been responsible for export sales of up to 5 million tonnes of coal a year from his own and other mines in Australia, and some from other countries. He has close links with Asian and Indian coal buyers and has been mandated by several Chinese companies to secure coal and coal projects. He was Chairman of SAI Global Limited (ASX listed) from listing in 2003 until 2008, the Energy Council of Australia (from 1993 to 2006) and Standards Australia (from 2000 to 2004); in 1995 he was President of The AusIMM. He has authored more than 150 talks, articles and presentations in Australia and in 14 countries overseas, mainly on mining and coal-related matters.

### **Board recommendation and Chair's vote**

The Directors, with Mr Edwards abstaining, recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote all available proxies in favour of this Resolution 2.

### **Resolution 3 – Re-election of Charles Blixt as a Director**

#### ***Background***

A director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides, subject to clause 17.4, that one third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one third, and any other Director not in such one third who has held office for 3 years or more (except the Managing Director), must retire from office at the annual general meeting every year. Clause 13.2 provides that a retiring Director is eligible for re-election.

#### ***Candidate profile***

Mr. Blixt began his 40-year career in private legal practice before taking on legal counsel roles, initially at Fiat-Allis and then at Caterpillar. In 1985 he joined R. J. Reynolds Tobacco as assistant Counsel Litigation. He spent 20 years at R. J. Reynolds in various legal roles including as Executive Vice President, General Counsel and Assistant Secretary for Reynolds American Inc. from 1999 to 2006.

He served as a Non-Executive Director of Krispy Kreme Doughnuts Inc. (NYSE: KKD) from 2007 to 2016. Mr. Blixt currently serves as a Non-Executive Director at Lamb Weston Holdings Inc. (NYSE: LW), the largest North American frozen potato producer (and second largest worldwide) with a market capitalisation over US\$6.5b. He serves as a Non-Executive Director of the \$6.5b market cap Swedish Match AB (Stockholm: SWMA), one of the world's largest Tobacco products manufacturers. He served as Non-Executive Director of Targacept Inc. prior to its merger with Catalyst Biosciences Inc. in 2015.

Mr. Blixt also serves as a director of several privately held small companies. He is currently a principal in C&D Ventures, which invests in entrepreneurial start-ups and other businesses which require capital and/or business and legal expertise.

#### ***Board recommendation and Chair's vote***

The Directors, with Mr Blixt abstaining, recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote all available proxies in favour of this Resolution 3.

### **Resolution 4 – Issue of Tranche 1 Placement Options**

#### ***Background***

As announced by the Company on 21 March 2018, the Company has received commitments for a two-tranche placement to sophisticated and professional investors to raise a total of \$8 million (before expenses) through the issue of a total of 80,000,000 Shares at an issue price of \$0.10 per Share, with free attaching New Options on the basis of one New Option for each Share subscribed.

The first tranche of the placement was completed on 27 March 2018 through the issue by the Company of 30,500,000 Shares (**Tranche 1 Placement Shares**) to the Tranche 1 Placees to raise approximately \$3,050,000 (before costs).

Resolution 4 seeks approval by Shareholders under ASX listing Rule 7.1 for the issue of 30,500,000 New Options (**Tranche 1 Placement Options**) to the Tranche 1 Placees (being the attaching New Options to be issued in connection with the Tranche 1 Placement Shares).

If Resolution 4 is passed, it will permit the Directors to complete the issue of the Tranche 1 Placement Options no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under ASX Listing Rule 7.1.

### ***ASX Listing Rule 7.1***

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a maximum of 30,500,000 New Options pursuant to Resolution 4.
- (b) The Tranche 1 Placement Options will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Tranche 1 Placement Options will be issued on the same date, being the date of completion of the Tranche 2 Placement.
- (c) The Tranche 1 Placement Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the Tranche 1 Placement Shares. Accordingly, no funds will be raised from the issue of the Tranche 1 Placement Options.
- (d) The Tranche 1 Placement Options will be issued to the Tranche 1 Placees, who are sophisticated and professional investor clients of Argonaut Securities Pty Limited and are not related parties of the Company.
- (e) The Tranche 1 Placement Options will be issued on the terms set out in Annexure A. The Tranche 1 Placement Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the Tranche 1 Placement Options by ASX, so that the Tranche 1 Placement Options will be listed options.
- (f) Shares issued on exercise of the Tranche 1 Placement Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (g) A voting exclusion statement is included in the Notice.

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

The passing of Resolution 4 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 4, you should also vote in favour of each other Placement Resolution.

**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 5 – Issue of Tranche 2 Placement Securities**

### ***Background***

Resolution 5 seeks approval by Shareholders under ASX listing Rule 7.1 for the issue of 49,500,000 Shares (**Tranche 2 Placement Shares**) and 49,500,000 New Options (**Tranche 2 Placement Options**) (together the **Tranche 2 Placement Securities**) to the Tranche 2 Placees.

If Resolution 5 is passed, it will permit the Directors to complete the issue of the Tranche 2 Placement Securities no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under ASX Listing Rule 7.1.

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a maximum of 49,500,000 Shares and 49,500,000 New Options pursuant to Resolution 5.
- (b) The Tranche 2 Placement Securities will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Tranche 2 Placement Securities will be issued on the same date.
- (c) The Tranche 2 Placement Shares will be issued at a price of \$0.10 per Share.
- (d) The funds raised from the issue of the Tranche 2 Placement Shares are intended to be used for exploration activities, including drilling and resource delineation, at Elan South (\$2.5 million), retire a portion of the Lenark Pty Ltd loan (\$1 million) and the balance for general corporate and working capital purposes.
- (e) The Tranche 2 Placement Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the Tranche 2 Placement Shares. Accordingly, no funds will be raised from the issue of the Tranche 2 Placement Options.
- (f) The Tranche 2 Placement Securities will be issued to the Tranche 2 Placees, who are sophisticated and professional investor clients of Argonaut Securities Pty Limited and (other than Charles Fear, Max Wang, Charles Blixt and George Edwards, who are proposing to participate in the Tranche 2 Placement subject to receipt of Shareholder approval under Resolutions 6 to 9, respectively) are not related parties of the Company.
- (g) The Tranche 2 Placement Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (h) The Tranche 2 Placement Options will be issued on the terms set out in Annexure A. The Tranche 2 Placement Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the Tranche 2 Placement Options by ASX, so that the Tranche 2 Placement Options will be listed options.
- (i) Shares issued on exercise of the Tranche 2 Placement Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (j) A voting exclusion statement is included in the Notice.

### **Directors' recommendation**

The passing of Resolution 5 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 5, you should also vote in favour of each other Placement Resolution.



**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 6 – Issue of Shares and New Options to Charles Fear**

### ***Background***

It is proposed that Charles Fear subscribes certain of the Tranche 2 Placement Securities. Further details of the Tranche 2 Placement Securities are set out under “Resolution 5” of this Explanatory Statement. Charles Fear is a Director and consequently a related party of the Company.

Resolution 6 seeks Shareholder approval for the issue of 1,350,000 of the Tranche 2 Placement Shares (**CF Shares**) and 1,350,000 of the Tranche 2 Placement Options (**CF Options**) (together, the **CF Securities**) to Charles Fear.

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

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

Charles Fear is a related party of the Company, by virtue of being a Director. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the CF Securities to Charles Fear.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement Securities is being sought under Resolution 5). Shareholder approval of the issue of the CF Securities means that this issue will not reduce the Company’s 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the CF Securities:

- (a) The CF Securities will be allotted and issued to Charles Fear, a Director.
- (b) The maximum number of securities to be issued is 1,350,000 Shares and 1,350,000 New Options (each forming part of the Tranche 2 Placement Securities).
- (c) The CF Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the CF Securities will be issued on the same date, being the date of completion of the Tranche 2 Placement.
- (d) The CF Shares will be issued at a price of \$0.10 per Share.
- (e) The funds raised from the issue of the CF Shares will be aggregated with the funds raised in the balance of the Tranche 2 Placement and applied proportionately in the same manner with those funds. See paragraph (d) under Resolution 5 in this Explanatory Statement for further details.
- (f) The CF Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the CF Shares. Accordingly, no funds will be raised from the issue of the CF Options.
- (g) The CF Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company’s existing Shares.

- (h) The CF Options will be issued on the terms set out in Annexure A. The CF Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the CF Options by ASX, so that the CF Options will be listed options.
- (i) Shares issued on exercise of the CF Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (j) A voting exclusion statement is included in the Notice.

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

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

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

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

The issue of the CF Securities constitutes giving a financial benefit and Charles Fear is a related party of the Company by virtue of being a Director.

The Directors (other than Charles Fear, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the CF Securities because the CF Securities will be issued to Charles Fear on the same terms as Shares and New Options issued to non-related party participants in the Tranche 2 Placement and, as such, the giving of the financial benefit is on arm's length terms.

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

The passing of Resolution 6 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 6, you should also vote in favour of each other Placement Resolution.

**The Directors (other than Charles Fear, who has a material personal interest in the outcome of Resolution 6) recommend Shareholders vote in favour of this Resolution.**

### **Resolution 7 – Issue of Shares and New Options to Max Wang**

#### ***Background***

It is proposed that Max Wang subscribes certain of the Tranche 2 Placement Securities. Further details of the Tranche 2 Placement Securities are set out under "Resolution 5" of this Explanatory Statement. Max Wang is a Director and consequently a related party of the Company.

Resolution 7 seeks Shareholder approval for the issue of 550,000 of the Tranche 2 Placement Shares (**MW Shares**) and 550,000 of the Tranche 2 Placement Options (**MW Options**) (together, the **MW Securities**) to Max Wang.

### **ASX Listing Rule 10.11**

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

Max Wang is a related party of the Company, by virtue of being a Director. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the MW Securities to Max Wang.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement Securities is being sought under Resolution 5). Shareholder approval of the issue of the MW Securities means that this issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the MW Securities:

- (a) The MW Securities will be allotted and issued to Max Wang, a Director.
- (b) The maximum number of securities to be issued is 550,000 Shares and 550,000 New Options (each forming part of the Tranche 2 Placement Securities).
- (c) The MW Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the MW Securities will be issued on the same date, being the date of completion of the Tranche 2 Placement.
- (d) The MW Shares will be issued at a price of \$0.10 per Share.
- (e) The funds raised from the issue of the MW Shares will be aggregated with the funds raised in the balance of the Tranche 2 Placement and applied proportionately in the same manner with those funds. See paragraph (d) under Resolution 5 in this Explanatory Statement for further details.
- (f) The MW Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the MW Shares. Accordingly, no funds will be raised from the issue of the MW Options.
- (g) The MW Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (h) The MW Options will be issued on the terms set out in Annexure A. The MW Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the MW Options by ASX, so that the MW Options will be listed options.
- (i) Shares issued on exercise of the MW Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (j) A voting exclusion statement is included in the Notice.

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

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

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

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

The issue of the MW Securities constitutes giving a financial benefit and Max Wang is a related party of the Company by virtue of being a Director.

The Directors (other than Max Wang, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the MW Securities because the MW Securities will be issued to Max Wang on the same terms as Shares and New Options issued to non-related party participants in the Tranche 2 Placement and, as such, the giving of the financial benefit is on arm's length terms.

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

The passing of Resolution 7 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 7, you should also vote in favour of each other Placement Resolution.

**The Directors (other than Max Wang, who has a material personal interest in the outcome of Resolution 7) recommend Shareholders vote in favour of this Resolution.**

## **Resolution 8 – Issue of Shares and New Options to Charles Blixt**

### ***Background***

It is proposed that Charles Blixt subscribes certain of the Tranche 2 Placement Securities. Further details of the Tranche 2 Placement Securities are set out under "Resolution 5" of this Explanatory Statement. Charles Blixt is a Director and consequently a related party of the Company.

Resolution 8 seeks Shareholder approval for the issue of 550,000 of the Tranche 2 Placement Shares (**CB Shares**) and 550,000 of the Tranche 2 Placement Options (**CB Options**) (together, the **CB Securities**) to Charles Blixt.

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

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

Charles Blixt is a related party of the Company, by virtue of being a Director. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the CB Securities to Charles Blixt.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement Securities is being sought under Resolution 5). Shareholder approval of the issue of the CB Securities means that this issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the CB Securities:

- (a) The CB Securities will be allotted and issued to Charles Blixt, a Director.
- (b) The maximum number of securities to be issued is 550,000 Shares and 550,000 New Options (each forming part of the Tranche 2 Placement Securities).
- (c) The CB Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the CB Securities will be issued on the same date, being the date of completion of the Tranche 2 Placement.
- (d) The CB Shares will be issued at a price of \$0.10 per Share.
- (e) The funds raised from the issue of the CB Shares will be aggregated with the funds raised in the balance of the Tranche 2 Placement and applied proportionately in the same manner with those funds. See paragraph (d) under Resolution 5 in this Explanatory Statement for further details.
- (f) The CB Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the CB Shares. Accordingly, no funds will be raised from the issue of the CB Options.
- (g) The CB Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (h) The CB Options will be issued on the terms set out in Annexure A. The CB Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the CB Options by ASX, so that the CB Options will be listed options.
- (i) Shares issued on exercise of the CB Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (j) A voting exclusion statement is included in the Notice.

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

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

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

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

The issue of the CB Securities constitutes giving a financial benefit and Charles Blixt is a related party of the Company by virtue of being a Director.

The Directors (other than Charles Blixt, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the CB Securities because the CB Securities will be issued to Charles Blixt on the same terms as Shares and New Options issued to non-related party participants in the Tranche 2 Placement and, as such, the giving of the financial benefit is on arm's length terms.

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

The passing of Resolution 8 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 8, you should also vote in favour of each other Placement Resolution.

**The Directors (other than Charles Blixt, who has a material personal interest in the outcome of Resolution 8) recommend Shareholders vote in favour of this Resolution.**

### **Resolution 9 – Issue of Shares and New Options to George Edwards**

#### ***Background***

It is proposed that George Edwards subscribes certain of the Tranche 2 Placement Securities. Further details of the Tranche 2 Placement Securities are set out under "Resolution 5" of this Explanatory Statement. George Edwards is a Director and consequently a related party of the Company.

Resolution 9 seeks Shareholder approval for the issue of 550,000 of the Tranche 2 Placement Shares (**GE Shares**) and 550,000 of the Tranche 2 Placement Options (**GE Options**) (together, the **GE Securities**) to George Edwards.

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

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

George Edwards is a related party of the Company, by virtue of being a Director. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Therefore, approval is required under ASX Listing Rule 10.11 for the issue of the GE Securities to George Edwards.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement Securities is being sought under Resolution 5). Shareholder approval of the issue of the GE Securities means that this issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the GE Securities:

- (a) The GE Securities will be allotted and issued to George Edwards, a Director.
- (b) The maximum number of securities to be issued is 550,000 Shares and 550,000 New Options (each forming part of the Tranche 2 Placement Securities).

- (c) The GE Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that all of the GE Securities will be issued on the same date, being the date of completion of the Tranche 2 Placement.
- (d) The GE Shares will be issued at a price of \$0.10 per Share.
- (e) The funds raised from the issue of the GE Shares will be aggregated with the funds raised in the balance of the Tranche 2 Placement and applied proportionately in the same manner with those funds. See paragraph (d) under Resolution 5 in this Explanatory Statement for further details.
- (f) The GE Options will have a nil issue price and will be issued as free attaching New Options on the basis of one New Option for each of the GE Shares. Accordingly, no funds will be raised from the issue of the GE Options.
- (g) The GE Shares will comprise fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (h) The GE Options will be issued on the terms set out in Annexure A. The GE Options have an exercise price of \$0.20 per option and an expiry date of 31 March 2021. The Company intends to apply for official quotation of the GE Options by ASX, so that the GE Options will be listed options.
- (i) Shares issued on exercise of the GE Options will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares.
- (j) A voting exclusion statement is included in the Notice.

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

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

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

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

The issue of the GE Securities constitutes giving a financial benefit and George Edwards is a related party of the Company by virtue of being a Director.

The Directors (other than George Edwards, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the GE Securities because the GE Securities will be issued to George Edwards on the same terms as Shares and New Options issued to non-related party participants in the Tranche 2 Placement and, as such, the giving of the financial benefit is on arm's length terms.

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

The passing of Resolution 9 is conditional upon, and subject to, each other Placement Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 9, you should also vote in favour of each other Placement Resolution.

**The Directors (other than George Edwards, who has a material personal interest in the outcome of Resolution 9) recommend Shareholders vote in favour of this Resolution.**

## **Resolution 10 – Ratification of prior issue of 7,288,736 Shares made under ASX Rule 7.1**

### ***Background***

On 27 March 2018, the Company issued a total of 30,500,000 Shares, being the Tranche 1 Placement Shares, to the Tranche 1 Placees (each of whom is a professional or sophisticated investor as described in section 708 of the Corporations Act). 7,288,736 of those Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

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

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

By ratifying the prior issue of 7,288,736 Shares made on 27 March 2018, those Shares will not count towards the Company's utilisation of the 15% annual placement capacity set out in ASX Listing Rule 7.1.

### ***Technical information required by ASX Listing Rule 7.5***

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (a) 7,288,736 Shares were issued at \$0.10 per Share pursuant to the Company's placement capacity under ASX Listing Rule 7.1.
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The Shares were issued to clients of Argonaut Securities Pty Limited each of whom is a professional or sophisticated investor as described in section 708 of the Corporations Act, and none of whom is a related party of the Company.
- (d) The funds raised from the issue of the Shares were used to fund the cash component of the Elan Coking Coal Project acquisition (\$3 million), which was completed on 29 March 2018.
- (e) A voting exclusion statement is included in the Notice.

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

**The Directors recommend Shareholders vote in favour of this Resolution.**



## **Resolution 11 – Ratification of prior issue of 19,690,490 Shares made under ASX Rule 7.1**

### **Background**

On 29 March 2018, the Company announced the completion of the acquisition of Elan Coal Ltd, which included the payment of C\$3M in cash and the issue of 19,690,490 Shares to the Elan Coal vendors as consideration.

Elan Coal's properties consist of six (6) areas which are known to hold shallow emplacements of hard coking coal. The Elan South project is adjacent and contiguous with the Riversdale Resources' Grassy Mountain project and is in close proximity to critical infrastructure for development. Atrium expects to start the field exploration program at Elan South in late May 2018.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

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

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

By ratifying the prior issue 19,690,490 Shares made on 29 March 2018, those Shares will not count towards the Company's utilisation of the 15% annual placement capacity set out in ASX Listing Rule 7.1.

### **Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (a) 19,690,490 Shares were issued at a deemed issue price of \$0.19 per Share pursuant to the Company's placement capacity under ASX Listing Rule 7.1.
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Shares will be held in voluntary escrow until 29 March 2019.
- (c) The Shares were issued to the vendors of Elan Coal none of whom are related parties of the Company.
- (d) No funds were raised from the issue of Shares as the Shares were issued in part consideration for the acquisition of Elan Coal Ltd. A voting exclusion statement is included in the Notice.

### **Directors' recommendation**

**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 12 – Ratification of prior issue of 7,500,000 Shares made under ASX Rule 7.1**

### ***Background***

In 2014, Kuro Coal Limited (**Kuro**), a wholly owned subsidiary of the Company, issued 160 non-interest bearing convertible notes with a face value of \$5,000 each, totalling \$800,000, to fund its 2014 exploration program. As at January 2018, the Kuro convertible notes remained unconverted representing a \$800,000 liability of Kuro.

In line with its objective to reduce debt, on 29 January 2018, the Company announced an offer to Kuro noteholders to exchange each Kuro note of \$5,000 for 50,000 Shares.

On 29 March 2018 the Company issued 7,500,000 Shares to Kuro noteholders who accepted the offer to exchange each Kuro note of \$5,000 for 50,000 Shares, reducing Kuro's external debt by \$750,000.

Resolution 12 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

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

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

By ratifying the prior issue 7,500,000 Shares made on 29 March 2018, those Shares will not count towards the Company's utilisation of the 15% annual placement capacity set out in ASX Listing Rule 7.1.

### ***Technical information required by ASX Listing Rule 7.5***

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 12:

- (a) 7,500,000 Shares were issued at a deemed issue price of \$0.10 per Share pursuant to the Company's placement capacity under ASX Listing Rule 7.1.
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The Shares were issued to holders of convertible notes issued by Kuro, none of whom are related parties of the Company.
- (d) No funds were raised directly from the issue of Shares as the Shares were issued to redeem 150 \$5000 Kuro Convertible Notes issued in 2014. A voting exclusion statement is included in the Notice.

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

**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 13 – Ratification of prior issue of 23,211,264 Shares made under ASX Rule 7.1A**

### ***Background***

On 27 March 2018, the Company issued a total of 30,500,000 Shares, being the Tranche 1 Placement Shares, to the Tranche 1 Placees (each of whom is a professional or sophisticated investor as described in section 708 of the Corporations Act). 23,211,264 of those Shares were issued pursuant to the Company's additional placement capacity under ASX Listing Rule 7.1A.

Resolution 13 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

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

ASX Listing Rule 7.1A broadly provides that, subject to receipt of the approval of holders of ordinary securities by special resolution at a company's annual general meeting and to satisfaction of certain other conditions, the company may issue further equity securities up to an amount which represents 10% of the number of fully paid ordinary securities on issue 12 months before the date of issue.

ASX Listing Rule 7.4 sets out an exception to these ASX Listing Rules. ASX Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1A, and provided that the previous issue did not breach ASX Listing Rule 7.1 or 7.1A, that issue will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying the prior issue of 23,211,264 Shares made on 27 March 2018, those Shares will not count towards the Company's utilisation of the 15% annual placement capacity set out in ASX Listing Rule 7.1 and its additional 10% placement capacity under ASX Listing Rule 7.1A.

### ***Technical information required by ASX Listing Rule 7.5***

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 13:

- (a) 23,211,264 Shares were issued at \$0.10 per Share pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.
- (b) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (c) The Shares were issued to clients of Argonaut Securities Pty Limited each of whom is a professional or sophisticated investor as described in section 708 of the Corporations Act, and none of whom is a related party of the Company.
- (d) The funds raised from the issue of the Shares were used to fund the cash component of the Elan Coking Coal Project acquisition (\$3 million), which was completed on 29 March 2018.
- (e) A voting exclusion statement is included in the Notice.

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

**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 14 – Approve Employee Share Option Plan**

The purpose of resolution 14 is to seek shareholder approval to establish and maintain the Company's Employee Share Option Plan ("the Plan") to provide ongoing incentives to employees and consultants of the Company. If this Resolution is passed, the Plan will enable the Company to issue options to subscribe for shares in the Company (and to issue Shares upon exercise of such Options) from time to time to employees and consultants as part of a performance based incentive program. The Options will be granted and issued under the Plan at the discretion of the Board. Directors are not eligible to participate in the Plan.

ASX Listing Rule 7.1 provides that a listed Company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12-month period without the approval of shareholders.

An exception to Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within three years of the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

Resolution 15 seeks Shareholder approval to establish and maintain the Plan and to enable the Company to grant Options in accordance with the Rules of the Plan and as an exception to ASX Listing Rule 7.1 (in accordance with ASX Listing Rule 7.2 – Exception 9).

No securities have previously been issued under the Plan.

The Company issued 120,000 Shares in the previous three years under its current Employee Share Plan which was approved at the Company's 2016 AGM. The 120,000 Shares were issued on 13 November 2017.

The Rules of the Plan are set out in Appendix B.

A voting exclusion statement is included in the Notice.

Shareholders entitled to vote on Resolution 14, who appoint as their proxy, a member of the Company's Key Management Personnel or a Closely Related Party (other than the Chair), should direct their proxy as to how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 14. Failing to direct such a proxy will result in that Shareholder's vote on Resolution 14 being disregarded.

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

**The Directors recommend Shareholders vote in favour of this Resolution.**

## **Resolution 15 – Approval of 10% Placement Capacity**

### ***General***

ASX Listing Rule 7.1A provides that the Company may seek Shareholder approval at an annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

If Shareholders approve Resolution 15, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 15 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and in addition to the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 15 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 15 for it to be passed.

### **ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A enables the Company to seek Shareholder approval at an annual general meeting to issue Equity Securities in addition to those under the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is a company that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of \$31,878,345 at the close of trading on 6 April 2018,

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: ATU).

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

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

- I. plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- II. plus the number of partly paid shares that became fully paid in the previous 12 months;
- III. plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the Company's 15% placement capacity without Shareholder approval; and
- IV. less the number of Shares cancelled in the previous 12 months.

**D** is 10%.

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

### **Information required by ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 15:

### **Minimum Price**

Pursuant to ASX Listing Rule 7.1A.3, the minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

### **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) after which date an approval under ASX Listing Rule 7.1A ceases to be valid.

### **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Equity Securities under the issue.

If Resolution 15 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)*	Dilution			
	Issue Price (per Share)	0.055 50% decrease in Issue Price	0.11 Issue Price	0.22 100% increase in Issue Price
<b>289,803,139 (Current Variable A)</b>	<b>Shares issued - 10% voting dilution</b>	28,980,314 Shares	28,980,314 Shares	28,980,314 Shares
	<b>Funds raised</b>	\$ 1,593,917	\$ 3,187,835	\$ 6,375,669
<b>434,704,709 (50% increase in Variable A)</b>	<b>Shares issued - 10% voting dilution</b>	43,470,471 Shares	43,470,471 Shares	43,470,471 Shares
	<b>Funds raised</b>	\$ 2,390,876	\$ 4,781,752	\$ 9,563,504
<b>579,606,278 (100% increase in Variable A)</b>	<b>Shares issued - 10% voting dilution</b>	57,960,628 Shares	57,960,628 Shares	57,960,628 Shares
	<b>Funds raised</b>	\$ 3,187,835	\$ 6,375,669	\$ 12,751,338

\*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 ASX Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 289,803,139 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 6 April 2018.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (viii) 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%.
- (ix) 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

### **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

### **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- a) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets including Elan South and Groundhog, general working capital and administration; or
- b) as non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

### **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities which may be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- I. the purpose of the issue;



- II. alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- III. the effect of the issue of the Equity Securities on the control of the Company;
- IV. the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- V. prevailing market conditions; and
- VI. advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

### Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 3 November 2017 (**Previous Approval**).

The Company has issued 23,211,265 Equity Securities pursuant to the Previous Approval.

As at the date of this Notice, during the 12-month period preceding the date of the Meeting, being on and from 31 May 2017, the Company has otherwise issued a total of 57,810,490 Shares and 16,663,636 Options which represents approximately 28.8% of the total diluted number of Equity Securities on issue in the Company on 31 May 2017, which was 258,273,755.

Further details of the issues of Equity Securities by the Company (as at the date of this Notice) during the 12-month period preceding the date of the Meeting are set out below:

Date	Quantity	Class	Recipients or basis of allotment	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Details / Form of consideration
12-07-17	1,063,636	Unlisted Options <sup>3</sup>	Ben Roth	Nil (discount to market price n/a)	Attached to convertible note (Cash raised from initial issue of convertible notes)  Estimated Value: \$18,081 (\$0.017 per Option).
13-11-17	120,000	Shares <sup>2</sup>	Ann Marie Hann and Peter Doyle	Nil (discount to market price n/a)	Issued in accordance with the Company's Employee Share Plan (Non-Cash)  Estimated Value: \$13,200 (\$0.11 per Share)
01-12-17	15,600,000	Unlisted Options <sup>4</sup>	Max Wang, Charles Fear, George Edwards and Charles Blixt.	Nil (discount to market price n/a)	Issued in as part of remuneration of Company Directors (Non-Cash)  Estimated Value: \$244,174
27-03-18	30,500,000	Shares <sup>2</sup>	Institutional and Sophisticated investors.	\$0.10 (13% discount to market price)	Private Placement (Cash)
29-03-18	7,500,000	Shares <sup>2</sup>	Kuro Coal Convertible Note holders	\$0.10 (17% discount to market price)	Conversion of Kuro Coal Ltd convertible note (Cash raised from initial issue of convertible notes)
29-03-18	19,690,490	Shares <sup>2</sup>	Elan Coal vendors	\$0.19 issue price (58% premium to market price)	Part consideration for acquisition of Elan Coal Ltd (Non-Cash) Estimated Value: \$2,165,953 (\$0.11 per Share).

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: ATU (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.60 each, on or before 31 October 2018.
4. 500,000 Unquoted Options, exercisable at \$0.18 each, on or before 1 December 2018, 1,400,000 Unquoted Options, exercisable at \$0.23 each, on or before 1 December 2018, 1,900,000 Unquoted Options, exercisable at \$0.40 each, on or before 1 June 2019, 3,000,000 Unquoted Options, exercisable at \$0.50 each, on or before 1 December 2019, 4,400,000 Unquoted Options, exercisable at \$0.70 each, on or before 1 June 2020, 4,400,000 Unquoted Options, exercisable at \$1.00 each, on or before 1 December 2020.
5. In respect of quoted Equity Securities, the value is based on the closing price of the Shares (\$0.11) on the ASX on 6 April 2018. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) and the risk-free interest rate for the term of the Option.
6. As at the date of this Notice, the number of equity securities issued since 31 May 2017 is 57,810,490 Shares and 16,663,636 Options totalling 74,474,126 securities and representing 28.8% of the total number of equity securities on issue at 31 May 2017.
7. The total amount of cash consideration raised in the 12 months since 31 May 2017 was \$3.05 million which was used to fund the \$3.0 million cash component of the acquisition price of Elan Coal Ltd and the remaining \$50,000 was spent to meet part of the capital raising costs.

**Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- I. a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- II. the information required by ASX Listing Rule 3.10.5A for release to the market.

**Voting exclusion statement**

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 15.

**Board recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 15.

## Glossary

---

In this document the following definitions apply:

<b>\$</b>	means Australian dollars.
<b>AEST</b>	means Australian Eastern Standard Time.
<b>Annual General Meeting, General Meeting or Meeting</b>	means the meeting convened by this Notice.
<b>Annual Report</b>	means the Directors' Report, Financial Report and Independent Auditor's Report in respect of the six months ended 31 December 2017.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules</b>	means the Listing Rules of ASX.
<b>Board</b>	means the board of directors of the Company.
<b>Business Day</b>	means a day other than a Saturday, Sunday or public holiday in Victoria.
<b>Closely Related Party</b>	of a member of the Key Management Personnel means: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).</li></ul>
<b>Company or Atrum Coal</b>	means Atrum Coal Limited ACN 153 876 861.
<b>Constitution</b>	means the Company's constitution.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the current directors of the Company.
<b>Equity Securities</b>	includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.
<b>Explanatory Statement</b>	means the explanatory statement accompanying this Notice.

<b>Financial Report</b>	means the financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act in respect of the six months ended 31 December 2017.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group named in the Remuneration Report.
<b>New Option</b>	means an option to acquire a Share, on the terms set out in Annexure A.
<b>Notice or Notice of Meeting</b>	means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.
<b>Option</b>	means an option to acquire a Share.
<b>Placement Resolutions</b>	means each of Resolutions 4 to 9 (inclusive).
<b>Proxy Form</b>	means the proxy form accompanying this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company set out in the Directors' Report section of the Annual Report.
<b>Resolutions</b>	means the resolutions to be considered by Shareholders at the Annual General Meeting, as set out in this Notice of Meeting.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a registered holder of one or more Shares.
<b>Tranche 1 Placees</b>	means the persons who have subscribed for the Tranche 1 Placement Shares and who (subject to the passing of the Placement Resolutions) are to subscribe for the Tranche 1 Placement Options, each of whom is a sophisticated or professional investor as defined in the Corporations Act.
<b>Tranche 1 Placement Options</b>	has the meaning given in the "Background" section under Resolution 4 in the Explanatory Statement.
<b>Tranche 1 Placement Shares</b>	has the meaning given in the "Background" section under Resolution 4 in the Explanatory Statement.
<b>Tranche 2 Placees</b>	means the persons who (subject to the passing of the Placement Resolutions) are to subscribe for the Tranche 2 Placement Securities, each of whom is a sophisticated or professional investor as defined in the Corporations Act.

<b>Tranche 2 Placement</b>	means the placement of the Tranche 2 Placement Shares and the Tranche 2 Placement Options.
<b>Tranche 2 Placement Options</b>	has the meaning given in the “Background” section under Resolution 5 in the Explanatory Statement.
<b>Tranche 2 Placement Securities</b>	has the meaning given in the “Background” section under Resolution 5 in the Explanatory Statement.
<b>Tranche 2 Placement Shares</b>	has the meaning given in the “Background” section under Resolution 5 in the Explanatory Statement.

## Annexure A Terms of New Options

The terms of the New Options to be issued to as contemplated in Resolutions 4 to 10 are as follows:

- (a) **Entitlement:** Subject to paragraph (m) each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- (b) **Exercise Price:** Subject to paragraphs (j) and (l), the amount payable upon exercise of each New Option will be \$0.20 (**Exercise Price**).
- (c) **Expiry Date:** Each New Option will expire at 5:00pm (AWST) on 31 March 2021 (**Expiry Date**). A New Option not exercised before that time will automatically lapse and be cancelled at that time.
- (d) **Exercise Period:** The New Options are exercisable at any time on or prior to 5:00pm (AWST) on the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise:** The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date:** A Notice of Exercise is only effective on and from the later of:
  - (i) the date of receipt of the Notice of Exercise; and
  - (ii) the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds,**(Exercise Date)**.
- (g) **Timing of issue of Shares on exercise:** Within 15 Business Days after the later of the following:
  - (i) the Exercise Date; and
  - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
  - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
  - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

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

- (h) **Shares issued on exercise:** Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Shares issued on exercise:** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.
- (j) **Reconstruction of capital:** If at any time the issued capital of the Company is reconstructed, all rights of each holder of one or more New Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **Participation in new issues:** There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (l) **Adjustment for rights issue:** In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the New Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (m) **Adjustment for bonus issues of Shares:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the holder of the New Option would have received if the holder had exercised the New Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.
- (n) **Quoted:** The Company will apply for quotation of the New Options on ASX.
- (o) **Transferability:** The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **ANNEXURE B**

**ATRUM COAL LIMITED**

ACN: 153 876 861

**EMPLOYEE SHARE OPTION PLAN**

**PLAN RULES**



# 1. Definitions and Interpretation

## 1.1 Definitions

The following definitions apply unless the context requires otherwise:

**Application Form** means a form for the application for an Option in respect of an Offer made to an Eligible Employee, or other person who is declared by the Board to be eligible to participate in the Plan;

**ASIC** means the Australian Securities and Investments Commission;

**ASX** means the Australian Securities Exchange Limited;

**Board** means the board of directors of the Company or a committee of the Board appointed to administer the Plan;

**Class Order** means Class Order 03/184 issued by ASIC as amended or replaced;

**Closing Date** means the closing date for acceptance of an Offer;

**Company or Atrum** means Atrum Coal Limited ACN 153 876 861;

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

**Director** means a director of the Company

**Eligible Employee** means an employee or executive (including a director employed in an executive capacity) or consultant of an Employer Company who is declared by the Board to be an Eligible Employee for the purposes of the Plan;

**Employer Company** means the Company, a Subsidiary or any other company approved by the Board in which the Company holds not less than 20 per cent of the voting shares;

**Exchange** means any stock exchange on which the shares of the Company become listed;

**Exercise Condition** means, in respect of any Option, one or more conditions that must be met before the Option may be exercised, as determined by the Board in its absolute discretion;

**Exercise Period** means, in respect of any Option, the period designated by the Board and notified in writing to the Participant as being the period during which the Participant may exercise the Option or any part of it in accordance with rule 9;

**Exercise Price** means, in respect of any Offer, the price per Share calculated in accordance with rule 6, subject to any adjustment in accordance with rule 11;

**Expiry Date** means the final date to exercise an Option;

**Grant Date**, in relation to an Option, means the date on which the Option is granted in accordance with rule 8.1;

**Listing Rules** means the rules of the Exchange and, if the Exchange is ASX, means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

**Market Price**, in relation to a Share, on a particular day means:

- a) If there was at least one transaction on the Exchange during the 5 business days before that day, the weighted average of the prices at which a Share was traded on the Exchange during the 5 business days before that day, or;
- b) If there were no transactions on the Exchange in that 5 business days in Shares, the last price at which an offer was made on the Exchange in that period to buy a Share;

**Offer** means an invitation to an Eligible Employee, or other person declared by the Board to be eligible to apply for an Option under the Plan;

**Option** means right to acquire a Share;

**Participant** means an Eligible Employee, or other person declared by the Board to be eligible, who has been granted an Option under the Plan;

**Plan** means the Company's Employee Share Option Plan constituted by these rules as amended from time to time;

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

**Subsidiary** has the meaning given to that term in section 9 of the Corporations Law;

**Takeover Bid** has the same meaning as in section 9 of the Corporations Law;

**Total Exercise Amount** means, in relation to each Option, the Exercise Price multiplied by the number of Shares for which the Option is being exercised; and

**Trigger Event** means:

- a) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- b) the announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or

the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or

them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

## **1.2 Interpretation**

- a) The singular includes the plural and conversely.
- b) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- c) A reference to a rule is a rule of these Rules.

## **1.3 Governing Law**

This Plan and any Options issued under it are governed by the laws of Victoria.

## **2 Total number of Shares**

The Company must take reasonable steps to ensure that:

- a) The total numbers of Shares which are the subject of unexercised Options granted under this Plan, when aggregated with the Shares which have been issued on exercise of the Options granted under this Plan, during the three years preceding the date on which an Option is issued, do not exceed ten per cent (10%) percent of the total number of issued Shares in the capital of the Company at the date of issue of any Option; and
- b) The number of Shares which are the subject of unexercised Options granted under this Plan when aggregated with the number of Shares which are the subject of unexercised Options granted under this Plan in the preceding 5 years (or any other employee share plan extended only to Eligible Employees) and the number of Shares that would be issued if each unexercised option granted under this Plan or under any other employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an Offer (but disregarding any offer of Shares or options to acquire Shares that can be disregarded pursuant to the Class Order).

## **3 Eligibility**

The Board may in its absolute discretion:

- a) Declare that an employee or executive of an Employer Company is an Eligible Employee; and
- b) Declare that any other person is eligible to participate in the Plan provided such participation will not require compliance with Chapters 6D.2, 6D.3 and 7.9 of the Corporations Act.

## **4 Shares comprised in each Option**

- a) Subject to rule 2 and paragraph (b), the Board must decide, in its absolute discretion, the number of Shares the subject of an Option to be offered to an Eligible Employee, or other person declared by the Board to be eligible, in accordance with the Plan.
- b) In making a decision under paragraph (a), the Board may take into account the actual and potential contribution of the Eligible Employee, or other person declared by the Board to be eligible, to the growth of an Employer Company.

## **5 Offer**

### **5.1 Offer to participate**

The Board may, from time to time, at its absolute discretion, make an Offer (in such form as the Board decides from time to time) to:

- a) Eligible Employees; and/or;

Other persons who the Board has declared to be eligible, inviting applications for the number of Options specified in the Offer.

### **5.2 Information about Options**

In respect of each Offer, the Board must advise each person to whom the Offer is made under rule 5.1 of the following information relevant to an Option that may be granted under the Plan, namely:

- a) The Exercise Price;
- b) The designated Exercise Period;
- c) The number of Shares for which the Participant will be entitled to subscribe upon the exercise of the Option;
- d) The Closing Date;
- e) The Expiry Date; and
- f) Any designated Exercise Condition.

## **6 Exercise Price**

The Exercise Price of Options issued pursuant to the Plan will be, at the discretion of the Board equal to or greater than the Market Price on the Grant Date.

## **7 Market Price**

During the Exercise Period, the Board will, make available to the Eligible Employee, the Market Price of Shares in the same class as those offered subject to the Options, within a reasonable time of the Eligible Employee making such a request.

## **8 Application for Options**

### **8.1 Requirements for Application**

Each application for an Option must:

- a) Be made on an Application Form;
- b) Conform with any instructions contained in the Application Form or in the Offer; and
- c) Be received by the Board at the specified place prior to the Closing Date.

### **8.2 Formal Application**

Each Application Form when properly completed and signed by the Participant in accordance with rule 7.1 constitutes an application for the grant of an Option to subscribe for the Shares at the Exercise Price.

### **8.3 Payment for Grant of Option**

Unless the Board otherwise determines, no payment is required at the time an Option is granted.

## **9 Grant of Options**

### **9.1 Date of Grant**

Upon acceptance of a duly signed and completed Application Form, together with any monies payable in respect of the Options applied for, the Company may grant Options to the Eligible Employee, or other person declared by the Board to be eligible, as specified in the Offer, with effect from the date the Board determines, on the terms of the Plan and terms of the Offer.

### **9.2 Certificate**

On the grant of the Option, the Company must issue to the Participant a certificate evidencing the Option and the number of Shares for which the Participant is entitled to subscribe.

### **9.3 Personal**

An Option granted under the Plan is personal to the Participant and may not be assigned to or exercised by any other person or body corporate.

## **10 Exercise of Options**

### **10.1 Right to Exercise**

Subject to rule 9.3, a Participant may exercise the Option, or any part of it, in the applicable Exercise Period, provided any exercise is for a minimum of a marketable parcel (as defined in the Listing Rules) of Shares or such other number or multiple of a number as the Board may determine.

### **10.2 Exercise Periods**

Options may only be exercised during the applicable Exercise Period. The Exercise Period of Options will be determined by the Board at its absolute discretion.

### **10.3 Restrictions on Exercise**

Except where an Option becomes exercisable by virtue of the provisions of rule 12, an Option may not be exercised unless at that time any Exercise Conditions imposed by the Board have been satisfied. Exercise Conditions of Options will be determined by the Board at its absolute discretion.

### **10.4 Lapse**

Any Option not exercised on or before the Expiry Date automatically lapses.

### **10.5 Notice of Exercise**

- a) In order to exercise an Option, the Participant (or his or her personal representative in the case of a deceased Participant) must deliver to the Company a completed and signed notice of exercise in a form prescribed by the Board and made available to the Participants, together with the Total Exercise Amount. All payments made pursuant to this rule shall be made by cheque, bank draft or postal order made out in favour of the Company.
- b) If a Participant exercises only part of the Option, the Company must issue to the Participant a new certificate evidencing the remaining number of Shares for which the Participant is entitled to subscribe.

### **10.6 Allotment of Shares**

Subject to rule 9.6, upon receipt of the Total Exercise Amount the Company must promptly allot to the Participant the Shares for which the Participant is entitled to subscribe.

## **10.7 Quotation of Shares**

After Shares have been allocated pursuant to rule 9.6, if the Company's Shares are listed on the Exchange at the date of allotment, the Company will apply for listing of the Shares on the Exchange within the timeframe required by the Listing Rules.

## **11 New Issues**

There is no inherent right in the Option to participate in any new issues of Shares which may be offered to shareholders from time to time prior to the exercise of the Option.

## **12 Rights of Participant upon exercise of Option**

### **12.1 Ranking of Shares**

The Shares to be allotted upon the exercise of an Option will upon allotment rank equally in all respects with the then existing ordinary issued Shares in the capital of the Company and will be subject to the provisions of the Constitution of the Company.

### **12.2 Adjustment for Rights issue**

As required by the Exchange if:

- a) Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue; and
- b) The price at which each Share is so offered is less than the Market Price on the day of public announcement of the rights issue.

The Exercise Price applicable to each Share shall be reduced in accordance with the Listing Rules.

### **12.3 Adjustment for Bonus Issue**

In the event of a Bonus Issue of Shares being made pro-rata to ordinary shareholders (other than issue in lieu of dividends), the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue. No adjustment will be made to the exercise price per share of the Option.

### **12.4 Subdivision or consolidation**

If, prior to the expiry or lapse of any Options there is a pro rata issue (except a bonus issue) to the holders of Shares in the Company, the Exercise Price of the

options may be reduced in accordance with the ASX Listing Rules.

## **12.5 Return of capital**

If the Company make a return of capital to its shareholders generally, the Exercise Price applicable to each Share comprised in the Option will be reduced by the amount of the capital returned in respect of each Share.

## **12.6 Other reconstruction**

If there occurs any other reconstruction of the capital of the Company affecting issued Shares, the Shares comprised in the Option and the Exercise Price applicable to each such Share will be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred to the Participant which are not conferred on holders of issued Shares, and (subject to the provisions of that reconstruction with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) in all other respects the terms of the Options shall remain unchanged.

## **12.7 No additional Rights**

The Plan shall afford a Participant no additional rights to compensation or damages as a consequence of the termination of his or her employment or appointment for any reason whatsoever.

## **13 Trigger Event**

Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event, the Directors may determine:

- a) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Board will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- b) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Board shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

## **14 Duration of the Plan**

- a) The Plan will continue in operation at the Board's discretion.



- b) If for any reason the Plan terminates or is discontinued, such termination or discontinuance will not prejudice the rights of the Participants to whom Options have been granted.

## **15 Amendment of the Plan**

The Board may at any time and from time to time by resolution, revoke, add to or vary any of the rules of the Plan or all or any of the rights or obligations of the Participants or any of them provided the interests of the Participants are not, in the opinion of the Board, materially prejudiced by such addition or variation.

## **16 Administration**

The Plan will be administered by the Board or a committee appointed by the Board in its absolute discretion with such powers and duties as are conferred upon it.

## **17 Notices and Correspondence**

### **17.1 Notice to Company**

Any notice required to be given by a Participant under the Plan or any correspondence to be made between a Participant and the Company or the Board may be given or made to the principal office of the Company or such other address as may be notified in writing.

### **17.2 Notice to the Participant**

Any notice required to be given by the Company or the Board to the Participant or any correspondence to be made between the Company or the Board and a Participant may be given or made by the Board on behalf of the Company.

## **18 Disputes**

Any disputes or differences of any nature arising under the Plan must be referred to the Board and its decision will be final and binding in all respects.

## **19 Advice**

Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the plan.

## **20 Taxation**

Neither the Company nor its Directors are liable for taxes assessed against or imposed upon a Participant arising from participation in the Plan and neither the

Company nor its Directors represents or warrants that any person will gain any financial or taxation advantage by participating in the Plan.

## **21 Listing Rules and Constitution**

The terms and conditions as set out in these Rules are subject to the Listing Rules of the Exchange and the Company's Constitution.

«EFT\_REFERENCE\_NUMBER»

+  

# ATRUM COAL LIMITED

ACN: 153 876 861

REGISTERED OFFICE:  
UNIT 1B  
205-207 JOHNSTON STREET  
FITZROY VIC 3065SHARE REGISTRY:  
Security Transfer Australia Pty Ltd  
All Correspondence to:  
PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000  
T: 1300 992 916 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

Code: ATU

Holder Number: «HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
1. Log into the Investor Centre using your holding details.  
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 2.00pm AEST on Thursday 31 May 2018 at Saxons, Room 10.6, Level 10, Barrack Street Sydney and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	RESOLUTION	For	Against	Abstain*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Shares and New Options to George Edwards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of George Edwards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Ratification of prior issue of 7,288,736 Shares made under ASX Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Charles Blixt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of prior issue of 19,690,490 Shares made under ASX Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Tranche 1 Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Ratification of prior issue of 7,500,000 Shares made under ASX Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Tranche 2 Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Ratification of prior issue of 23,211,264 Shares made under ASX Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Shares and New Options to Charles Fear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approve Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Shares and New Options to Max Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Shares and New Options to Charles Blixt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director &amp; Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2.00pm AEST Tuesday 29 May 2018.

+ ATUPX1010518

1

1

ATU

ATUPX1010518 +

Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.