



MOD RESOURCES LIMITED
ACN 003 103 544

NOTICE OF ANNUAL GENERAL MEETING

**The annual general meeting of the Company will be held at
1304 Hay Street, West Perth, Western Australia on
Wednesday, 30 May 2018 at 11.00am (WST).**

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

***Should you wish to discuss any matter please do not hesitate to contact the Company
Secretary by telephone on +61 8 9322 8233***

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of MOD Resources Limited (**Company**) will be held on **Wednesday, 30 May 2018 at 11.00am (WST) (Meeting)**.

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

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The annual general meeting of Shareholders of the Company will be held at:

The WA Chinese Chamber of Commerce
1304 Hay Street, West Perth, Western Australia
Commencing at 11.00am (WST) on Wednesday, 30 May 2018

VOTING ENTITLEMENTS

For the purposes of the Corporations Act, all securities of the Company that are quoted securities at 5.00pm (WST) on Monday, 28 May 2018 will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the Meeting.

HOW TO VOTE

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11.00am (WST).

PROXIES

A Proxy Form accompanies this Notice of Meeting. To be effective the Proxy Form must be completed and received at the Company's share registry, Security Transfer Australia Pty Ltd, by 11.00am (WST) on Monday, 28 May 2018, being no later than 48 hours before commencement of the Meeting.

- By email to registrar@securitytransfer.com.au
- By posting to PO BOX A2020, South Sydney NSW 1235
- By facsimile to +61 (0) 8 9315 2233
- By hand to The Trust Building, Suite 511, 155 King Street, Sydney NSW by 8.00am and 5.00pm (EDST) Monday to Friday, providing it is not a public holiday in NSW.

You may also lodge your proxy online at www.securitytransfer.com.au and by following the instructions set out on the Proxy Form.

If you are entitled to attend and cast a vote at the Meeting, you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

CORPORATE REPRESENTATIVES

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

POWERS OF ATTORNEY

A person appearing as an attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate power of attorney for admission to the annual general meeting.

AGENDA

ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2017.

1. RESOLUTION 1 - REMUNERATION REPORT

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the Annual Report for the year ended 31 December 2017."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

2. RESOLUTION 2 - RE-ELECTION OF MR STEVEN MCGHEE AS DIRECTOR

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

"That, Mr Steven McGhee, who retires in accordance with Listing Rule 14.4 and Article 6.3(c) of the Constitution, and being eligible and offering himself for re-election, is elected as a Director."

3. RESOLUTION 3 - ELECTION OF MS BRONWYN BARNES AS DIRECTOR

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

"That, Ms Bronwyn Barnes, who retires in accordance with Listing Rule 14.4 and Article 6.3(j) of the Constitution, and being eligible and offering herself for election, is elected as a Director."

4. RESOLUTION 4 - APPROVAL OF EMPLOYEE INCENTIVE PLAN

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

"That, pursuant to and in accordance with Listing Rule 7.2, exception 9 and for all other purposes, Shareholders approve the terms of the Employee Incentive Plan, and authorise the grant of Performance Rights and Options and the issue of Shares pursuant to the Employee Incentive Plan."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of his or her associates.

The Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 - ISSUE OF PERFORMANCE RIGHTS TO MS BRONWYN BARNES UNDER THE EMPLOYEE INCENTIVE PLAN

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

"That, subject to Resolution 4 being passed, pursuant to and in accordance with section 200E of the Corporations Act, Listing Rules 10.14 and 10.19 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Performance Rights to Ms Bronwyn Barnes (or her nominee), under the Employee Incentive Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an officer of the Company or any of its Child Entities who is entitled to participate in a Termination Benefit,

or any associates of those persons.

The Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 - ISSUE OF OPTIONS TO DIRECTORS UNDER THE EMPLOYEE INCENTIVE PLAN

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

"That, subject to Resolution 4 being passed, pursuant to and in accordance with section 200E of the Corporations Act, Listing Rules 10.14 and 10.19 and for all other purposes, Shareholders approve the issue of up to:

- (a) 12,750,000 Options to Mr Julian Hanna (or his nominee);

- (b) 9,750,000 Options to Mr Mark Clements (or his nominee);
- (c) 9,750,000 Options to Mr Steven McGhee (or his nominee); and
- (d) 2,175,000 Options to Mr Simon Lee AO (or his nominee);
- (e) 2,175,000 Options to Ms Bronwyn Barnes (or her nominee),

under the Plan on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an officer of the Company or any of its Child Entities who is entitled to participate in a Termination Benefit,

or any associates of those persons.

The Company will not disregard a vote if:

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

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 - RATIFICATION OF PLACEMENT

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 255,319,148 Shares at an issue price of \$0.047 per Share on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Placement or any associate of that person.

The Company will not disregard a vote if:

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

8. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

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

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

Voting Exclusion

The Company will disregard any votes cast 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 10% Placement Facility, except a benefit solely by reason of being a Shareholder, or any associate of that person (or those persons).

The Company will not disregard a vote if:

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

9. RESOLUTION 9 - CONSOLIDATION

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

"That, for the purposes of section 254H of the Corporations Act, the Listing Rules and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) *every ten (10) Shares be consolidated into one (1) Share; and*
- (b) *all Options and Performance Rights be reorganised in accordance with the Listing Rules,*

with any resulting fractions of a Share, Option or Performance Right rounded up to the next whole number (as the context requires), on the terms and conditions in the Explanatory Memorandum."

Dated: 26 April 2018

By order of the Board

Mark Clements
Company Secretary

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Western Australian Chinese Chamber of Commerce, 1304 Hay Street, West Perth, Western Australia on Wednesday, 30 May 2018 at 11.00am (WST).

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

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

2. ACTION TO BE TAKEN BY SHAREHOLDERS

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

2.1 Proxies

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

Please note that:

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

Proxy Forms must be received by the Company no later than 11.00am (WST) on Monday, 28 May 2018, being at least 48 hours before the Meeting.

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

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the opportunity to:

- (a) discuss the Financial Report (which includes the financial statements and Directors declaration), the Directors' Report and Auditor's Report;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

A copy of the Annual Report is available on the Company's website: www.modresources.com.au.

In addition to taking questions at the Meeting, written questions to the Chairman 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 of 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 five business days before the Meeting to the Company Secretary at the Company's registered office.

4. RESOLUTION 1 - REMUNERATION REPORT

4.1 General

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

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

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

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

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. Please note if the Remuneration Report receives a Strike at this

Meeting and if a second Strike is received at the 2019 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

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

5. RESOLUTION 2 - RE-ELECTION OF MR STEVEN MCGHEE AS DIRECTOR

5.1 Background

In accordance with Listing Rule 14.4 and Article 6.3(b) of the Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's last appointment, or three years, whichever is longer.

Mr Steven McGhee was last re-elected on 15 May 2015. Resolution 2 provides that he retires from office and, being eligible under Article 6.3(f) of the Constitution, seeks re-election as a Director.

Resolution 2 is an ordinary resolution.

5.2 Director's Profile

Mr McGhee is a metallurgist with over 30 years' experience in the mining industry covering, test work management, project development, engineering, commissioning and process plant management. He has held senior management operations and project roles throughout Australia, South East Asia and South America with particular emphasis on gold and base metals. He is also a director of Perth-based Independent Metallurgical Operations. Mr McGhee was appointed non-executive Director on 30 April 2014 and moved to an executive role effective 1 January 2017.

Shareholders can find more information about Mr McGhee in the Annual Report.

5.3 Directors' Recommendation

The Directors (other than Mr McGhee) recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote undirected proxies in favour of Resolution 2.

6. RESOLUTION 3 - ELECTION OF MS BRONWYN BARNES AS DIRECTOR**6.1 Background**

In accordance with Listing Rule 14.4, a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 6.2(b) of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, subject to the limitations on the number of directors contained in Article 6.1. Under Article 6.3(j) of the Constitution, any Director so appointed must retire at the next annual general meeting and is eligible for re-election at that meeting.

Ms Bronwyn Barnes was appointed on 18 September 2017 as an addition to the Board. Resolution 3 provides that she retires from office and seeks re-election as a Director.

Resolution 3 is an ordinary resolution.

6.2 Director's Profile

Ms Barnes has more than 17 years' experience in the resources sector having worked for companies ranging from BHP Billiton to emerging juniors in director and operational roles. She is currently a director and former non-executive chair of Auris Minerals Limited (ASX: AUR), non-executive chair of Indiana Resources Limited (ASX: IDA), a councillor of the Association of Mineral and Exploration Companies (AMEC) and a member of the Advisory Council for the Curtin University School of Business.

In 2015, Ms Barnes' contribution to the resources sector was recognised when she was awarded the prestigious Outstanding Woman in Resources Award by the WA Chamber of Minerals and Energy. She was also awarded the national Exceptional Woman in Australian Resources Award 2015.

Ms Barnes is an independent non-executive director and Chair of the Audit and Remuneration Committees.

Shareholders can find more information about Ms Barnes in the Annual Report.

6.3 Directors' Recommendation

The Directors (other than Ms Barnes) recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote undirected proxies in favour of Resolution 3.

7. RESOLUTION 4 - APPROVAL OF EMPLOYEE INCENTIVE PLAN**7.1 General**

The Company has engaged the services of remuneration consultants to assist with a review of the remuneration quantum and incentive structure with the objective of aligning remuneration with business requirements, key shareholder group expectations and practices of comparative organisations in order to attract, retain and incentivise key staff.

The Company has a performance rights plan (**Existing Plan**) in place, as approved by Shareholders at the general meeting held 20 February 2017. Following receipt of advice from an external remuneration consultant, the Company proposes to restructure its incentive approach in order to:

- (a) better align incentives with the Company's future business requirements;
- (b) provide greater flexibility and engagement for participants;
- (c) increase rigour in performance measures; and
- (d) better align incentives with typical market practice.

To better achieve the above outcomes than under the Existing Plan, the Company intends to implement an employee incentive plan (**Employee Incentive Plan**) that allows the Company to issue Performance Rights, Options and Shares to Eligible Employees.

If Resolution 4 is approved, no additional Performance Rights will be issued pursuant to the Existing Plan.

As compared to the Existing Plan, the Employee Incentive Plan will provide a stronger basis to:

- (a) enable the Company to incentivise and retain existing key management personnel and other Eligible Employees needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional Key Management Personnel and other Eligible Employees needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long term performance of the Company;
- (d) align the financial interest of participants of the Employee Incentive Plan with those of Shareholders; and
- (e) provide incentives to participants of the Employee Incentive Plan to focus on superior performance that creates Shareholder value.

The material terms of the Plan are detailed in Schedule 2.

Resolution 4 is an ordinary resolution.

7.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to convert to equity (such as a Performance Right), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of

securities under the Employee Incentive Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

A summary of the terms of the Employee Incentive Plan is set out in Schedule 2. A copy of the Employee Incentive Plan can be obtained by contacting the Company.

7.3 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2 exception 9, information is provided as follows:

- (a) The terms of the Employee Incentive Plan are summarised in Schedule 2.
- (b) This is the first approval sought under Listing Rule 7.2 exception 9 with respect to the Employee Incentive Plan.
- (c) No securities have been issued under the Employee Incentive Plan.
- (d) A voting exclusion statement is included in the Notice for Resolution 4.

7.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote undirected proxies in favour of Resolution 4.

8. RESOLUTION 5 - ISSUE OF PERFORMANCE RIGHTS TO MS BRONWYN BARNES UNDER THE EMPLOYEE INCENTIVE PLAN

8.1 General

Resolution 5 seeks Shareholder approval in accordance with section 200E of the Corporations Act, Listing Rules 10.14 and Listing Rule 10.19 for the grant of Performance Rights to Ms Bronwyn Barnes under the Employee Incentive Plan.

On 18 September 2017, the Company announced that in connection with Ms Barnes' appointment to the Board, it would issue Ms Barnes 5,000,000 Performance Rights exercisable on or before 21 February 2022, vesting on a market capitalisation hurdle (being the same terms and conditions as the Performance Rights issued to the current Directors), subject to Shareholder approval.

The Company has historically implemented cost reduction initiatives with a view to maintaining the Company's cash reserves. As part of the cost reduction measures, Directors and management agreed to a voluntary reduction in their agreed salary or fees and to forfeit short term incentive related performance bonuses.

The Board considers that the grant of Performance Rights to Ms Barnes is a cost effective and efficient incentive for her appointment to the Board and her continued performance as a Director.

Refer to Schedule 2 for a summary of the terms and conditions of the Employee Incentive Plan. The Performance Rights will be issued to Ms Barnes pursuant to

and in accordance with the Employee Incentive Plan, subject to Shareholder approval being obtained in respect of Resolutions 4 and 5.

The Performance Rights will be granted to Ms Barnes with the following Performance Criteria and Performance Periods expiring on the following dates:

Performance Criteria	Performance Period Expiry Date
The Company achieving a market capitalisation of \$180 million for a period of 30 consecutive calendar days	21 February 2022

The Performance Criteria represent a premium of 69% to the market capitalisation of the Company as at 24 April 2018 of \$106 million.

The Performance Rights will be allocated to Ms Barnes as detailed in the table below. Examples of the dilution effect on existing Shareholders if the Performance Rights proposed to be granted (pursuant to the passing of Resolution 5) are exercised, using the current issued capital of 2,308,615,042 Shares have been calculated as detailed in the table below.

Director	Allocation of Performance Rights	Dilution
Ms Bronwyn Barnes	5,000,000	0.22%

If the Performance Criteria in respect of Performance Rights are achieved within the Performance Period, the Performance Right will vest and result in the issue of one Share for each Performance Right. If the Performance Criteria of Performance Rights are not achieved within the Performance Period, then the Performance Rights will lapse, subject to the discretion of the Board allowing the Participant to retain those Performance Rights, allowing the Performance Rights to vest, and/or determining a new Performance Period under the rules of the Employee Incentive Plan.

Resolution 5 is an ordinary resolution. Resolution 5 is subject to Shareholders approving Resolution 4.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 5, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8.2 Section 200B of the Corporations Act

The Corporations Act restricts the benefits that can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel. Ms Bronwyn Barnes is a member of Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes an automatic or accelerated vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the company.

Under the Employee Incentive Plan, the Board has general discretion in relation to a number of matters relating to the vesting of Employee Incentives, including Performance Rights. The exercise of any of these discretions may result in Employee Incentives vesting in a Participant after that Participant ceases their employment or office with the Company or its subsidiaries. The discretion of the Board may allow this vesting to occur even if applicable performance criteria have not been satisfied or achieved by the relevant times.

The Employee Incentive Plan also provides that Employee Incentives, including Performance Rights, may vest in certain circumstances associated with a change in control of the Company.

The Board has formed the view that each of these matters separately could constitute a benefit given in connection with retirement for the purposes of section 200B of the Corporations Act. Accordingly, Resolution 5 seeks Shareholder approval for the purposes of section 200E for those potential benefits in connection with the Performance Rights issued to Ms Bronwyn Barnes as described in Section 8.1.

8.3 Specific information required by section 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the value of the benefit relating to any Performance Rights held by Ms Barnes which may arise in connection with their retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
 - (i) the number of Performance Rights held prior to ceasing employment;
 - (ii) the circumstances of or reasons for ceasing employment with the Company;
 - (iii) the length of service with the Company and performance over that period of time;
 - (iv) any other factors that the Board determines to be relevant when exercising any of the discretions described in Section 8.2;
 - (v) the market price of the Company's Shares on ASX at the relevant time; and

- (vi) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time; and
- (b) the Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes or Monte Carlo pricing models to value the Performance Rights.

8.4 Listing Rule 10.19

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

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to Ms Bronwyn Barnes depends on a number of factors, including whether the Board exercises a discretion described in Section 8.2. It also depends on the value of the Company's equity interests, which vary over time. Accordingly, it is possible that the provision of the benefits associated with the vesting of the Performance Rights will exceed 5% of the equity interests of the Company at the relevant time.

8.5 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of ordinary shareholders:

- (a) a director;
- (b) an associate of a director; or
- (c) a person whose relationship with the entity or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Performance Rights to Ms Bronwyn Barnes, as she is a Director.

A voting exclusion statement is included in the Notice for Resolution 5.

Because Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Performance Rights to Ms Barnes pursuant to Resolution 5 will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

8.6 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of Performance Rights to Ms Barnes:

- (a) the Performance Rights will be granted to the following persons (and/or his/her nominee, stated on a pre-Consolidation basis):

Name	Maximum Number of Performance Rights to be Granted
Ms Bronwyn Barnes	5,000,000

- (b) the actual number of Performance Rights that vest is dependent on the achievement of the Performance Criteria as described above;
- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for nil cash consideration. The exercise price of the Performance Rights will also be nil consideration;
- (d) no Shares, Options or Performance Rights have been granted under the Employee Incentive Plan to date;
- (e) under the rules of the Employee Incentive Plan, the following persons are entitled to participate in the Employee Incentive Plan:
- (i) any employee, Director or other consultant or contractor of the Company or any of its subsidiaries; or
 - (ii) any other person who is determined by the Board to be eligible to receive the grant of Shares, Options or Performance Rights under the Plan,

the persons referred to in Listing Rule 10.14 who are entitled to participate in the Employee Incentive Plan as at the date of this Notice are Messrs Julian Hanna, Mark Clements, Steven McGhee, Simon Lee AO and Ms Bronwyn Barnes.

- (f) a voting exclusion statement is included in the Notice;
- (g) there is no loan associated with the grant of the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months (or such longer period of time as ASX may in its direction allow) after the date of the Meeting.

8.7 Directors' Recommendations

The Directors (other than Ms Barnes) recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 5.

9. RESOLUTION 6 - ISSUE OF OPTIONS TO DIRECTORS UNDER THE EMPLOYEE INCENTIVE PLAN

9.1 General

Resolution 6 seeks Shareholder approval in accordance with section 200E of the Corporations Act, Listing Rules 10.14 and Listing Rule 10.19 for the grant of Options to each of the Directors under the Employee Incentive Plan.

The Board, based on advice from the Company's external remuneration consultants, has determined that the grant of Options to the Directors is a more efficient and cost effective remuneration structure for the Company and is a more appropriate way to incentivise the Directors' continued performance.

Refer to Section 7.1 for further details of the changes to the Company's remuneration structure.

Refer to Schedule 2 for a summary of the terms and conditions of the Employee Incentive Plan. The Options will be issued to the Directors pursuant to and in accordance with the Employee Incentive Plan, subject to Shareholder approval being obtained in respect of Resolutions 4 and 6.

The Options will be granted to the Directors with the following exercise price, vesting conditions and expiry dates:

Tranche	Exercise Price	Vesting Condition	Expiry Date
1.	145% of the Company's Share price at the date of grant (Indicative exercise price \$0.067 per Option*)	12 months from the date of grant	4 years from the date of grant
2.	Tranche 1 Exercise Price + 2.5 cents (Indicative exercise price \$0.092 per Option*)	24 months from the date of grant	4 years from the date of grant
3.	Tranche 1 Exercise Price + 4.5 cents (Indicative exercise price \$0.112 per Option*)	36 months from the date of grant	4 years from the date of grant

* The indicative exercise price for the Options in the above table is based on the issue date for the Options and the Company's Share price on 24 April 2018, being the last practical date prior to finalisation of this Notice.

The Options will be allocated to the Directors as detailed in the table below. Examples of the dilution effect on existing Shareholders if the proposed Options (pursuant to the passing of Resolution 6) are exercised, using the current issued capital of 2,308,615,042 Shares have been calculated as detailed in the table below (on a pre-Consolidation basis).

Director	Tranche 1 Allocation	Tranche 2 Allocation	Tranche 3 Allocation	Total	Dilution
Mr Julian Hanna	4,250,000	4,250,000	4,250,000	12,750,000	0.55%
Mr Mark Clements	3,250,000	3,250,000	3,250,000	9,750,000	0.42%
Mr Steven McGhee	3,250,000	3,250,000	3,250,000	9,750,000	0.42%
Mr Simon Lee AO	725,000	725,000	725,000	2,175,000	0.09%
Ms Bronwyn Barnes	725,000	725,000	725,000	2,175,000	0.09%
Total	12,200,000	12,200,000	12,200,000	36,600,000	1.59%

Resolution 6 is an ordinary resolution. Resolution 6 is subject to Shareholders approving Resolution 4.

The Chairman intends to exercise all available proxies in favour of Resolution 6.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 6, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

9.2 Section 200B of the Corporations Act

Refer to Section 8.2 for summary of section 200B of the Corporations Act

Under the Employee Incentive Plan, the Board has general discretion in relation to a number of matters relating to the vesting and exercise of Employee Incentives, including Options. The exercise of any of these discretions may result Options becoming exercisable by a Participant after that Participant ceases their employment or office with the Company or its subsidiaries. The discretion of the Board may allow this exercise to occur even if applicable vesting conditions have not been satisfied or achieved by the relevant times.

The Employee Incentive Plan also provides that Employee Incentives, including Options, may become exercisable in certain circumstances associated with a change in control of the Company.

The Board has formed the view that each of these matters separately could constitute a benefit given in connection with retirement for the purposes of section 200B of the Corporations Act. Accordingly, Resolution 6 seeks Shareholder approval for the purposes of section 200E for those potential benefits in connection with the Options issued to the Directors as described in Section 9.1.

9.3 Specific information required by section 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) the value of the benefit relating to any Options held by the Directors which may arise in connection with their retirement from a

managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (i) the number of Options held prior to ceasing employment;
 - (ii) the circumstances of or reasons for ceasing employment with the Company;
 - (iii) the length of service with the Company and performance over that period of time;
 - (iv) any other factors that the Board determines to be relevant when exercising any of the discretions described in Section 9.2;
 - (v) the market price of the Company's Shares on ASX at the relevant time; and
 - (vi) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time; and
- (b) the Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes and Monte Carlo pricing models to value the Options.

9.4 Listing Rule 10.19

Refer to Section 8.4 for a summary of Listing Rule 10.19

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to the Directors depends on a number of factors, including whether the Board exercises a discretion described in Section 9.2. It also depends on the value of the Company's equity interests, which vary over time. Accordingly, it is possible that the provision of the benefits associated with the vesting of the Options will exceed 5% of the equity interests of the Company at the relevant time.

9.5 Listing Rule 10.14

Refer to Section 8.5 for a summary of Listing Rule 10.14.

Resolution 6 seeks Shareholder approval, pursuant to Listing Rule 10.14, for the proposed grant of the Options to the Directors.

A voting exclusion statement is included in the Notice for Resolution 6.

Because Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required. Accordingly, the grant of Options to the Directors pursuant to Resolution 6 will not reduce the Company's 15% capacity for the purposes of Listing Rule 7.1.

9.6 Specific information required by Listing Rule 10.15

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant of Options to the Directors:

- (a) the Options will be granted to the following persons (and/or his/her nominee, stated on a pre-Consolidation basis):

Name	Maximum Number of Options to be Granted
Mr Julian Hanna	12,750,000
Mr Mark Clements	9,750,000
Mr Steve McGhee	9,750,000
Mr Simon Lee AO	2,175,000
Ms Bronwyn Barnes	2,175,000

- (b) the Options will be granted as incentives and will be granted for nil cash consideration. The exercise price of the Options is detailed in Section 9.1. The Options are subject to a cashless exercise facility under the terms of the Employee Incentive Plan, as described in Schedule 2, whereby the exercise price of the options may be set off against the value of the Shares that the Option holder is entitled to receive such that the Option holder receives Shares equal in value to the difference between the exercise price of the options and the market value of the Shares;
- (c) no Shares, Options or Performance Rights have been granted under the Employee Incentive Plan to date (other than the Performance Rights that will be granted if Shareholders approve Resolutions 4 and 5);
- (d) under the rules of the Employee Incentive Plan, the following persons are entitled to participate in the Employee Incentive Plan:
- (i) any employee, Director or other consultant or contractor of the Company or any of its subsidiaries; or
 - (ii) any other person who is determined by the Board to be eligible to receive the grant of Shares, Options or Performance Rights under the Plan,

the persons referred to in Listing Rule 10.14 who are entitled to participate in the Employee Incentive Plan as at the date of this Notice are Messrs Julian Hanna, Mark Clements, Steven McGhee, Simon Lee AO and Ms Bronwyn Barnes.

- (e) a voting exclusion statement is included in the Notice;
- (f) there is no loan associated with the grant of the Options; and

- (g) the Company will grant the Options no later than 12 months (or such longer period of time as ASX may in its direction allow) after the date of the Meeting.

9.7 Directors' Recommendations

The Directors each have an interest in Resolution 6, and accordingly, consider it inappropriate to make a recommendation in respect of this Resolution.

The Chairman intends to vote undirected proxies in favour of Resolution 6.

10. RESOLUTION 7 - RATIFICATION OF PLACEMENT

10.1 Background

On 6 March 2018, the Company announced a Share placement to institutional and sophisticated investors (**Placement**). The Placement involved the issue of 255,319,148 Shares to sophisticated and institutional investors at \$0.047 per Share to raise \$12 million before costs.

10.2 Listing Rule 7.4

The Shares issued under the Placement were issued within the Company's 15% annual limited permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 7 is an ordinary resolution

The effect of passing Resolution 7 will be to restore the Company's ability to issue further Equity Securities to the maximum 15% limited during the next 12 months.

10.3 Specific information required by Listing Rule 7.5

For the purposes of Shareholder approval of the Placement and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) 255,319,148 Shares were issued to sophisticated and institutional investors on 12 March 2018;
- (b) the Shares were issued for \$0.047 per Share which represented a 9.8% discount to the 15 day volume weighted average price of Shares trading on ASX at the close of trading prior to the date of issue;
- (c) the Shares were issued on the same terms and conditions and rank equally in all respects with existing Shares;
- (d) the Shares were issued to professional and sophisticated investors and clients of Blue Ocean Equities Pty Ltd and Ashanti Capital Pty Ltd and who were not related parties, or associates of related parties, of the Company;
- (e) the funds raised from the Placement will be applied to a major expansion of exploration activities along the T3 Dome, T20 Dome and across the Company's wider regional holdings and general working capital; and

- (f) a voting exclusion statement is included in the Notice for Resolution 7.

10.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

The Chairman intends to vote undirected proxies in favour of Resolution 7.

11. RESOLUTION 8 - APPROVAL OF 10% PLACEMENT FACILITY

11.1 Background

Listing Rule 7.1A allows companies that are not included in the S&P/ASX300 Index and have a market capitalisation of \$300 million or less to issue Equity Securities up to 10% of their issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**).

The 10% Placement Facility is in addition to the standard 15% annual placement capacity permitted under Listing Rule 7.1.

Resolution 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must vote in favour of Resolution 8 for it to be passed.

The Chairman intends to vote undirected proxies in favour of Resolution 8.

11.2 Listing Rule 7.1A Approval

(a) Shareholder approval

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

(b) Equity Securities

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

At the date of the Notice, the Company has on issue two quoted classes of Equity Securities, Shares and listed Options. The listed Options expire on 1 May 2018, which falls between the date of this Notice and the date of the Meeting.

(c) Formula for calculating 10% Placement Facility

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

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

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

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

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

D is 10%

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

(d) 10% Placement Period

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

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

(the **10% Placement Period**).

11.3 Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of listed Options, only if the listed Options are exercised). There is a risk that:

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

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

(c) The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.

(d) The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.092 100% increase in Issue Price
Current Variable A 2,308,615,042 Shares	10% Voting Dilution	230,861,504 Shares	230,861,504 Shares	230,861,504 Shares
	Funds raised	\$5,309,815	\$10,619,629	\$21,239,258

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.092 100% increase in Issue Price
50% increase in current Variable A	10% Voting Dilution	346,292,256 Shares	346,292,256 Shares	346,292,256 Shares
3,462,922,563 Shares	Funds raised	\$7,964,722	\$15,929,444	\$31,858,888
100% increase in current Variable A	10% Voting Dilution	461,723,008 Shares	461,723,008 Shares	461,723,008 Shares
4,617,230,084 Shares	Funds raised	\$10,619,629	\$21,239,258	\$42,478,517

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No listed Options (including any listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.046, being the closing price of the Shares on ASX on 24 April 2018.

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.

- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.
- (f) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards the ongoing costs associated with the exploration of its existing projects and to investigate and capture additional assets consistent with the Company's strategy and which complement these projects. Funds raised will be used to meet cash payments for these additional acquisitions, while also being used to fund subsequent exploration activities associated with the new acquisitions; or
 - (ii) 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.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The subscribers under the 10% Placement Facility have not been determined, as at the date of this Notice, but may include existing

substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (k) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2017 annual general meeting held on 25 May 2017. In the 12 months preceding the date of the Meeting, the Company issued a total of 442,276,967 Equity Securities, which represent approximately 23% of the total number of Equity Securities on issue at 25 May 2017. Details of Equity Securities that have been issued during the 12-month period preceding the date of the Meeting, are set out at Schedule 3.
- (l) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

11.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

12. RESOLUTION 9 - CONSOLIDATION

12.1 Background

The Company proposes to consolidate its share capital through the conversion of every 10 Shares into one Share (**Consolidation**).

Section 254H of the Corporations Act permits a company to consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

The Listing Rules also require that:

- (a) in respect of convertible securities other than options, the number of securities or the conversion price (or both) must be reorganised so that the holders of the convertible securities will not receive a benefit that holders of ordinary securities do not receive; and
- (b) in respect of options, the number of options must be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

As the Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, the Consolidation will have no effect on the percentage interest that each Shareholder holds in the Company.

For the avoidance of doubt, all amounts of Shares, Options and Performance Rights referred to in this Notice are stated on a pre-Consolidation basis.

At the date of this Notice, the Company has 2,308,615,042 shares on issue, which represents a relatively large number of shares. The Directors propose the Consolidation because it will result in a more appropriate, effective capital structure for the Company and a share price more appealing to a wider range of investors.

12.2 Convertible Securities

At the date of this Notice, the Company has on issue listed Options, unlisted Options and Performance Rights (**Convertible Securities**).

If the Consolidation is approved, the Convertible Securities will also be reorganised in accordance with their terms and conditions and Listing Rule 7.22.1.

The number of Options or Performance Rights will be consolidated in the same ratio as the Consolidation in relation to Shares, and the exercise price (if applicable) will be amended in inverse proportion to that ratio.

For example, if Resolution 9 is approved, a holder of 1,000 Options with an exercise price of \$0.06 will, on completion of the Consolidation, hold 100 Options with an exercise price of \$0.60.

12.3 Specific information required by Listing Rule 7.20

In accordance with Listing Rule 7.20, information is provided in relation to the Consolidation as follows:

- (a) the number of Shares, Options and Performance Rights on issue will change as set out in the following table:

Type of securities	Number of securities currently on issue	Number of securities on issue (post-Consolidation)
Shares	2,308,615,042	230,861,504
Options	52,989,246 ¹	5,298,925 ²
Existing Performance Rights vesting in various tranches expiring 21 February 2022	25,000,000	2,500,000
Performance Rights if Shareholders approve Resolutions 4 and 5	5,000,000	500,000
Incentive Options if Shareholders approve Resolutions 4 and 6	36,600,000	3,660,000

Note:

- (1) Comprised of:
- (a) 3,755,759 listed Options exercisable at \$0.01 on or before 1 May 2018 (note these Options will expire between the date of this Notice and the date of the Meeting); and
- (b) 49,233,487 unlisted Options exercisable at \$0.06 on or before 15 April 2019.
- (2) Comprised of:
- (a) 375,576 listed Options exercisable at \$0.01 on or before 1 May 2018 (note these Options will expire between the date of this Notice and the date of the Meeting); and
- (b) 4,923,349 unlisted Options exercisable at \$0.60 on or before 15 April 2019.
- (b) any resulting fractions of a Share will be rounded up to the next whole number of Shares; and
- (c) convertible securities will be dealt with in accordance with Section 12.2.

12.4 Timing

If Shareholders approve Resolution 9, the Consolidation will take effect according to the following timetable:

Event	Date
The Company notifies ASX that Shareholders have approved the Consolidation.	30 May 2018
Last day for pre-Consolidation trading.	31 May 2018
Post-Consolidation trading starts on a deferred settlement basis.	1 June 2018
Last day for the Company to register transfers on a pre-Consolidation basis.	4 June 2018
First day for Company to send notice to each holder of the change in their details of holdings. First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	5 June 2018
Change of details of holdings date. Deferred settlement market ends. Last day for Securities to be entered into holders' Security holdings. Last day for the Company to send notice to each holder of the change in their details of holdings.	11 June 2018

These dates are indicative only and may change subject to the requirements of the Corporations Act and Listing Rules.

12.5 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

SCHEDULE 1: DEFINITIONS

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

\$ means Australian Dollars.

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

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

Annual Report comprises the Financial Report, Directors' Report and the Auditors Report.

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

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

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Child Entity has the same meaning as in the Listing Rules.

Closely Related Party means:

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

Company means MOD Resources Limited (ACN 003 103 544).

Consolidation has the meaning given in Section 12.1.

Constitution means the constitution of the Company.

Convertible Securities has the meaning given in Section 12.2.

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

Director means a director of the Company.

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

Employee Incentive means a Share, Option or Performance Right issued under the Employee Incentive Plan.

Employee Incentive Plan has the meaning given in Section 7.1.

Equity Securities has the same meaning as in the Listing Rules.

Existing Plan means the Company's performance rights plan approved by Shareholders on 20 February 2017.

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

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

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

Listing Rules means the listing rules of ASX.

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

Notice means the notice of meeting that comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

Option means an option to acquire a Share.

Participant means a holder of Employee Incentives.

Performance Criteria means any minimum performance requirements (as specified in the offer letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options vesting in a Participant or a Performance Right being satisfied.

Performance Period means the period in which the Performance Criteria must be satisfied in respect of a Performance Right.

Performance Right means a performance right granted under the Plan.

Placement has the meaning given in Section 10.1.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Strike has the meaning given in Section 4.1.

Termination Benefit has the same meaning as in the Listing Rules.

Trading Day has the same meaning as in the Listing Rules.

VWAP means volume weighted average price.

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

SCHEDULE 2: SUMMARY OF EMPLOYEE INCENTIVE PLAN

The terms of the Employee Incentive Plan (**Plan**) are summarised below. A copy of the Plan can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Plan.

Eligible Employees: The eligible participants under the Plan are Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan; or any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan. For the purposes of the Plan, "Employee" means an employee, director or other consultant or contractor of the Company or any of its subsidiaries. In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Shares, Options or Performance Rights.

Limits on Entitlement: the Company must not make an Offer for Shares, Options or Performance Rights under the Plan if, immediately afterwards, the sum of:

- (a) the total number of unissued Shares which may be acquired pursuant to the Offer (for avoidance of doubt, including pursuant to Options or Performance Rights which may be applied for as part of the Offer);
- (b) the total number of unissued Shares over which Options have been granted or Performance Rights issued during the preceding three years under this Plan and any other Group employee incentive scheme; and
- (c) the total number of Shares (not being Plan Shares) issued during the preceding three years under this Plan and any other Group employee incentive scheme,

would exceed 10% of the total number of Shares on issue at the time of the proposed issue.

The maximum allocation and allocated pool may be increased by Board resolution, provided such an increase complies with the Listing Rules.

Individual Limits: The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

Offer and Conditions: An offer to an Eligible Employee to apply for the grant of Shares, Options or Performance Rights under the Plan (**Offer**) must be set out in an Offer Letter delivered to the Eligible Employee and specify:

- (a) the number of Shares, Options or Performance Rights;
- (b) the conditions on the Offer (**Offer Conditions**);
- (c) the Grant Date;
- (d) the Fee (if any);
- (e) the Performance Criteria (if any);
- (f) the Vesting Conditions (if any);
- (g) the Exercise Price (if any);
- (h) the Exercise Period (if applicable);

- (i) the Performance Period (if applicable);
- (j) the Expiry Date and Term (if applicable);
- (k) the Forfeiture Conditions (if any);
- (l) any Restrictions attaching to the Shares or Plan Shares together with the Restriction Period; and
- (m) the terms of any Employee Loan to be made by the Company to the Employee in accordance with this Plan to fund the purchase of Shares offered (if applicable).

Consideration Payable: Shares, Options and Performance Rights will be issued for nil consideration. The Exercise Price (if any) and Expiry Date for an Option will be specified in the Offer.

Under the Plan, the Board has the discretion to allow an Option holder to set-off the exercise price of Options against the number of Shares that the Option holder is entitled to receive upon exercise of the Options, allowing the Option holder to receive Shares equal in value to the difference between the exercise price of the options and the market value of the Shares (**Cashless Exercise**).

Option Terms:

- (a) The Board will determine any Performance Criteria or Vesting Conditions attaching to an Option.
- (b) Each vested Option will entitle the holder to one Share on payment of the Exercise Price (if any).
- (c) A Participant who holds Options is not entitled to notice of, or to vote or attend at a meeting of Shareholders, receive any dividends declared by the Company, or participate in any new issue of securities offered to Shareholders during the term of the Options, unless and until the Options are exercised and the Participant holds Shares under the Plan.
- (d) Options will only vest and be exercisable if any applicable Performance Criteria or Vesting Conditions have been satisfied, are deemed satisfied under the Plan rules, or are waived by the Board.
- (e) Options granted under the Plan may not be assigned, transferred or encumbered, or otherwise disposed of by a Participant, unless the prior consent of the Board is obtained (and the Board may impose such conditions as it sees fit) or the assignment or transfer occurs by force of law upon the death of a Participant to their legal personal representative.
- (f) If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of satisfaction of dividends or by way of dividend reinvestment), the Exercise Price of the Option will be reduced according to the formula in Listing Rule 6.22.2.
- (g) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment), the number of securities over which the Option is exercisable will be adjusted in accordance with Listing Rule 6.22.3.

- (h) If there is any reorganisation of the issued share capital of the Company, the rights of the Participant who holds Options will be varied to comply with the Listing Rules that apply to the reorganisation at the time.
- (a) The Board will not seek official quotation of Options, but must use all reasonable endeavours to obtain the grant of quotation of Shares issued on exercise of Options.

Performance Right Terms:

- (a) The Board may offer Performance Rights to an Eligible Employee at its sole discretion.
- (b) A Performance Rights confers an entitlement to be provided with one Share upon satisfaction of specified Performance Criteria.
- (c) A Participant who holds Performance Rights is not entitled to notice of, or to vote or attend at a meeting of Shareholders, or receive any dividends declared by the Company, unless and until the Performance Rights are satisfied and the Participants holds Shares under the Plan.
- (d) Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Participant.
- (e) If there is any reorganisation of the issued share capital of the Company, the rights of the Participant who holds Performance Rights will be varied to comply with the Listing Rules that apply to the reorganisation at the time.
- (f) The Board will not seek official quotation of Performance Rights, but must use all reasonable endeavours to obtain the grant of quotation of Shares issued on exercise of Performance Rights.

Lapse of Options and Performance Rights: Subject to the Board's discretion, Options and Performance Rights shall automatically be cancelled for no consideration where:

- (a) the Participant ceases to hold employment or office (except where provided for under the Good Leaver and Bad Leaver provisions, as described in section entitled "Good Leaver" below);
- (b) the Options or Performance Rights are forfeited under the terms of the Offer or, in the reasonable opinion of the Board, the Participant acts fraudulently or dishonestly, or wilfully breaches his or her duties to the Company;
- (c) the applicable Performance Criteria or Vesting Conditions are not achieved by the relevant time;
- (d) the Board determines, in its reasonable opinion, that the applicable Performance Criteria or Vesting Conditions have not been met and cannot be met within the relevant time;
- (e) in the case of Options, the Expiry Date has passed;
- (f) in the case of Performance Rights, the Board determines that the Participant has not satisfied the Performance Criteria;
- (g) the Board determines that the Participant has brought the company into disrepute;
- (h) the Participant surrenders the Performance Rights or Options; and

- (i) the Offer Letter provides for the cancellation of the Performance Rights or Options in any other circumstances.

Share Terms: Shares issued under the Plan will be subject to Offer Conditions and will remain restricted securities until the Offer Conditions have been satisfied. If the participant ceases to be an Eligible Employee prior to satisfaction of the Offer Conditions, the Company has the right to buy-back the Shares. The Company may also buy-back the Shares where the participant has acted fraudulently or dishonestly or the Board determines that any Offer Conditions have not been met by the Expiry Date.

Employee Loan: the Board may, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the Issue Price for the Shares offered to the Participant pursuant to the relevant Offer.

Good Leaver: Where a Participant who holds Employee Incentives becomes a Good Leaver all vested Employee Incentives which have not been exercised will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Employee Incentives will lapse. A Good Leaver is a person who is not a Bad Leaver. A Bad Leaver includes a person who is dismissed from office for serious or persistent breach of their terms of employment, a director who has become disqualified, or a person who has committed some other fraudulent, dishonest or negligent act.

Assignment: Employee Incentives may not be sold, transferred, assigned or novated except with the prior approval of the Board. Upon death or total and permanent disablement of the participant, the Board may permit the sale or transfer of any Shares acquired under the Plan.

Change of Control: All granted Performance Rights which have not yet vested or lapsed will automatically and immediately vest, and a Participant may exercise any or all of their Options, regardless of whether the Vesting Conditions have been satisfied (provided that no Option will be capable of exercise later than the Expiry Date), if any of the following change of control events occur:

- (a) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
 - (i) is announced;
 - (ii) has become unconditional; and
 - (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares; or
- (c) any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means.

Termination, Suspension or Amendment: The Board may terminate, suspend or amend the Plan at any time subject to any resolution of the Company required by the Listing Rules.

Employee Share Trust: The Board may use an employee share trust for the purposes of holding shares for Participants under the Plan.

Disposal Restrictions on Shares: The Board may impose disposal restrictions on Shares issued under the Plan or acquired following the vesting of Performance Rights or exercise of Options as a condition of any Offer. The Board may place a holding lock or similar arrangements on the Shares to give effect to the restrictions.

Capital Reconstructions: Subject to applicable laws, the number of Employee Incentives and Shares held by a Participant may be determined by the Board in its sole and absolute discretion to be such number is appropriate so that the Participant does not suffer any material detriment following a variation in the share capital of the Company.

Buy-back: The Company may buy-back Shares issued under the Plan in certain circumstances in accordance with the rules of the Plan.

SCHEDULE 3: DETAILS OF ISSUES OF EQUITY SECURITIES IN 12 MONTHS PRECEDING THE MEETING

Information required pursuant to Listing Rule 7.3A.6.

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
21 June 2017	23,000,000	Fully paid ordinary Shares	Exercise of vested performance rights by Directors and key management personnel in accordance with the Company's Performance Rights Plan approved at the General Meeting held 20 February 2017.	Nil (100%)	<p>Amount raised = \$Nil Amount spent = \$Nil Use of funds = N/A</p> <p>Amount remaining = \$Nil Proposed use of remaining funds = N/A</p> <p>Current value: \$1,081,000 (based on closing price of \$0.047 on 23 April 2018).</p>
21 June 2017	3,000,000	Performance Rights	Performance Rights to Chief Financial Officer, Mr Stef Weber under the terms of the Performance Rights Plan as approved by shareholders on 20 February 2017.	Nil (100%)	<p>Performance Rights issued pursuant to the Company's Performance Rights Plan which vest and become exercisable in two equal tranches subject to employment conditions, expiring 21 February 2022;</p> <p>(a) Tranche 1: vest upon the Company achieving a market capitalisation of \$120 million for a period of 30 consecutive calendar days.</p> <p>(b) Tranche 2: vest upon the Company achieving a market capitalisation of \$180 million for a period of 30 consecutive calendar days.</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration
20 July 2017	2,827,358	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MODO) expiring 1 May 2018. Optionholders pursuant to the exercise of unlisted \$0.06 options expiring 15 April 2019.	2,784,223 Shares at \$0.010 per Share (82.1%) 43,135 Shares at \$0.060 per Share (Nil 100%)	Amount raised = \$28,273 Amount spent = \$28,273 Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a PFS for a potential open pit mine and processing plant at T3 and general working capital. Amount remaining = \$Nil Proposed use of remaining funds = N/A
18 September 2017	328,402	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MODO) expiring 1 May 2018.	\$0.010 (83.1%)	Amount raised = \$32,840 Amount spent = \$32,840 Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a PFS for a potential open pit mine and processing plant at T3 and general working capital. Amount remaining = \$Nil Proposed use of remaining funds = N/A

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
9 October 2017	1,571,144	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MOD0) expiring 1 May 2018.	\$0.010 (82.5%)	<p>Amount raised = \$157,114 Amount spent = \$157,114 Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a PFS for a potential open pit mine and processing plant at T3 and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>
20 October 2017	132,646	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MOD0) expiring 1 May 2018.	\$0.010 (85.3%)	<p>Amount raised = \$13,264 Amount spent = \$13,264 Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a PFS for a potential open pit mine and processing plant at T3 and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
7 November 2017	1,500,000	Fully paid ordinary Shares	Exercise of vested performance rights by key management personnel in accordance with the Company's Performance Rights Plan approved at the General Meeting held 20 February 2017.	Nil (100%)	<p>Amount raised = Nil Amount spent = Nil Use of funds = N/A</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p> <p>Current value: \$70,500 (based on closing price of \$0.047 on 23 April 2018).</p>
22 December 2017	300,000	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MODO) expiring 1 May 2018.	\$0.010 (80%)	<p>Amount raised = \$30,000 Amount spent = \$30,000</p> <p>Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a PFS for a potential open pit mine and processing plant at T3 and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration
5 February 2018	500,000	Fully paid ordinary Shares	Vested Performance rights for Directors and key management personnel in accordance with the Company's Performance Rights Plan approved at the General Meeting held 20 February 2017.	Nil (100%)	Amount raised = \$Nil Amount spent = \$Nil Use of funds = N/A Amount remaining = \$Nil Proposed use of remaining funds = N/A Current value: \$23,500 (based on closing price of \$0.047 on 23 April 2018).
13 February 2018	252,000	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MODO) expiring 1 May 2018.	\$0.010 (82.1%)	Amount raised = \$25,200 Amount spent = \$25,200 Use of funds = To conduct a substantial exploration program at T3 and extensive regional licences, completion of a FS for a potential open pit mine and processing plant at T3 and general working capital. Amount remaining = \$Nil Proposed use of remaining funds = N/A

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
6 March 2018	134,504,294	Fully paid ordinary Shares	Shareholders pursuant to the non-renounceable Entitlements Offer announced 6 March 2018 (after completion of placement announced on 6 March 2018).	\$0.047 (100%)	<p>Amount Raised = \$6.3M</p> <p>Amount Spent = \$0.8M</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount Remaining = \$5.5M</p> <p>Proposed use of remaining funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration
12 March 2018	255,319,148	Fully paid ordinary Shares	Institutional and professional investors pursuant to the Placement announced on 6 March 2018	\$0.047 (90.2%)	<p>Amount Raised = \$12M Amount Spent = \$0.4M</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount Remaining = \$11.6M</p> <p>Proposed use of remaining funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p>
12 March 2018	1,804,480	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MODO) expiring 1 May 2018	\$0.010 (97.9%)	<p>Amount raised = \$18,044 Amount spent = \$18,044</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
15 March 2018	10,191,195	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MOD0) expiring 1 May 2018	\$0.010 (78.3%)	<p>Amount raised = \$101,911 Amount spent = \$101,911</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>
9 April 2018	7,204,834	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MOD0) expiring 1 May 2018	\$0.010 (78.7%)	<p>Amount raised = \$72,048 Amount spent = \$72,048</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>

Date of Issue	Number of Equity Securities	Class and terms of class	Persons to whom the Company issued the securities	Price and discount to closing price	<p>If issued for cash consideration - total cash consideration, amount of cash spent, what it was spent on, intended use for remaining cash</p> <p>If issued for non-cash consideration - the non-cash consideration that was paid and the current value of that non-cash consideration</p>
20 April 2018	2,841,462	Fully paid ordinary Shares	Optionholders pursuant to the exercise of listed \$0.01 options (MOD0) expiring 1 May 2018	\$0.010 (78.7%)	<p>Amount raised = \$28,414 Amount spent = \$28,414</p> <p>Use of funds = To conduct a major expansion of exploration activities including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome and general working capital.</p> <p>Amount remaining = \$Nil</p> <p>Proposed use of remaining funds = N/A</p>

«EFT_REFERENCE_NUMBER»

MOD RESOURCES LIMITED

ACN: 003 103 544

REGISTERED OFFICE:

FIRST FLOOR
1304 HAY STREET
WEST PERTH WA 6005

SHARE 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



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
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«Address_line_3»
«Address_line_4»
«Address_line_5»

Code: MOD

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

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 Annual General Meeting of the Company to be held at 11:00am WST on Wednesday 30 May 2018 at 1304 Hay Street, West Perth, Western Australia 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. Where I/we have appointed the Chairperson (or where the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolutions 1,4,5 and 6 and vote in accordance with the Chairperson's voting intentions (except where I/we have indicated a different voting intention below) even though Resolutions 1,4,5 and 6 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairperson.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6d. Issue of Options to Mr Simon Lee AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Steven McGhee as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6e. Issue of Options to Ms Bronwyn Barnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Ms Bronwyn Barnes as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Performance Rights to Ms Bronwyn Barnes under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6a. Issue of Options to Mr Julian Hanna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6b. Issue of Options to Mr Mark Clements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6c. Issue of Options to Mr Steven McGhee	<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 & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Monday 28 May 2018.

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MOD

MODPX1300518

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.

Email registrar@securitytransfer.com.au

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