

NORTHERN MINERALS LIMITED
ABN 61 119 966 353

**NOTICE OF GENERAL MEETING
OF SHAREHOLDERS**

AND

EXPLANATORY MEMORANDUM

AND

PROXY FORM

10.00AM (PERTH TIME), FRIDAY 8 JUNE 2018

AT

**LEVEL 1
675 MURRAY STREET
WEST PERTH
WESTERN AUSTRALIA 6005**

**Please read the Notice and Explanatory Memorandum carefully.
If you are unable to attend the meeting please complete and return the
enclosed Proxy Form in accordance with the specified instructions.**

Notice is hereby given that a general meeting of shareholders of Northern Minerals Limited ABN 61 119 966 353 ("**Northern Minerals**" or "**Company**") will be held at Level 1, 675 Murray Street, West Perth, Western Australia 6005 at 10.00am (Perth time) on Friday 8 June 2018.

AGENDA

RESOLUTION 1 – ISSUE OF SHARES TO LIND

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

"That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 25,000,000 Shares to Lind Asset Management X, LLC (or its nominee), for the purpose and on the terms set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a shareholder of ordinary securities in the Company), or any of their associates.

However, the Company need not disregard a vote if 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 it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – CANCELLATION OF OPTIONS

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

"That, subject to Resolution 3 being passed, for the purpose of Listing Rule 6.23.2, and for all other purposes, Shareholders approve the cancellation of:

- (a) 30,000,000 Options issued to Lind, each with an exercise price of \$0.12 and an expiry date of 31 December 2019; and***
- (b) 5,023,076 Options issued to certain private investors, each with an exercise price of \$0.12 and an expiry date of 31 December 2019,***

for the purpose and on the terms set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on in favour of this Resolution by or on behalf of any person who holds an Option the subject of this Resolution, or any of their associates.

However, the Company need not disregard a vote if 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 it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 3 – ISSUE OF NEW OPTIONS

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

"That, subject to Resolution 2 being passed, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 35,023,076 New Options, for the purpose and on the terms set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a shareholder of ordinary securities in the Company), or any of their associates.

However, the Company need not disregard a vote if 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 it is cast by the person

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

RESOLUTION 4 – ISSUE OF OPTIONS TO HUATAI

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 1,282,052 Options to Huatai Mining Pty Ltd (or its nominee), for the purpose and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a shareholder of ordinary securities in the Company), or any of their associates.

However, the Company need not disregard a vote if 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 it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 5 – ISSUE OF CONVERTIBLE NOTES TO SINOSTEEL

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 3,000,000 Convertible Notes (convertible into a maximum of 66,000,000 Shares) to Sinosteel Equipment & Engineering Co., Ltd, for the purpose and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a shareholder of ordinary securities in the Company), or any of their associates.

However, the Company need not disregard a vote if 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 it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To transact any other business that may be legally brought before the Meeting.

CHAIRMAN AND CHAIRMAN’S VOTING INTENTIONS FOR UNDIRECTED PROXIES

It is proposed that the Chairman of the Meeting be the Chairman of the Board, Mr Colin McCavana. It is the Chairman’s intention as Chairman of the Meeting to vote undirected proxies (i.e. open proxies) which he holds as proxy in favour of all Resolutions.

SNAPSHOT DATE

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the date to determine who are the Shareholders in the Company for the purposes of the Meeting is at **5.00pm WST on Wednesday 6 June 2018**. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Holders of options issued by the Company who are not Shareholders but who wish to vote as Shareholders at the Meeting are required to lodge valid exercise notices with the for the Company in sufficient time to allow the Shares to be issued by the Company before the date referred to above.

PROXIES

In accordance with Section 249L(1)(d) of the Corporations Act, Shareholders are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified then in accordance with section 249X(3) of the Corporations Act each proxy may exercise one half of the votes.

The instrument appointing the proxy must be received by the Company as provided in its constitution no later than 48 hours prior to the time of the commencement of the Meeting. This Proxy Form may be delivered in person or sent by facsimile transmission or email using the details specified on the Proxy Form.

CORPORATE REPRESENTATIVE

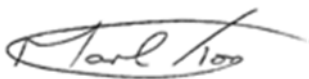
Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form can be obtained from the Company's share registry.

OTHER

Words which are defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting and the Explanatory Memorandum, please refer to the Glossary on page 6.

Dated: 4 May 2018

By order of the Board



Mark Tory
Company Secretary

GLOSSARY

ASX is ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.

Board is the Board of Directors of the Company.

Company or **Northern Minerals** is Northern Minerals Limited ABN 61 119 966 353.

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

December Placement is defined in the Explanatory Memorandum for Resolution 2.

Director is a director of the Company.

Equity Security is as defined in the Listing Rules, being a share, unit, right to a share or unit or option, a convertible security, any security that ASX decides is an equity security but not a security ASX decides to classify as a debt security.

Explanatory Memorandum is the Explanatory Memorandum accompanying the Notice of Meeting.

Funding Agreement is defined in the Explanatory Memorandum for Resolution 1.

Lind is defined in the Explanatory Memorandum for Resolution 1.

Listing Rules is the Listing Rules of the ASX.

Meeting is the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice.

New Options is defined in the Explanatory Memorandum for Resolution 2.

Notice of Meeting or **Notice** is this Notice of Meeting and includes the Explanatory Memorandum and Proxy Form.

Option means an unlisted Option to subscribe for a Share.

Proxy Form is the form of proxy accompanying this Notice of Meeting.

Resolution is a resolution proposed to be passed at the Meeting and contained in the Notice of Meeting.

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

Shareholder is a person entered in the Company's register of members as a holder of a Share.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

NORTHERN MINERALS LIMITED

ABN 61 119 966 353

This Explanatory Memorandum sets out information about the business to be considered by the Shareholders at the Meeting. A short explanation of the business to be considered by the Shareholders is set out below.

RESOLUTION 1 – ISSUE OF SHARES TO LIND

The Company refers to the funding agreement with Lind Asset Management X, LLC (**Lind**) that was announced to the market on 14 June 2017 (as amended) (**Funding Agreement**).

The Funding Agreement was entered into to provide further funds for the Company to utilise towards construction of the Browns Range Pilot Plant Project. The financing facility offered under the Funding Agreement has a 30 month term, and can be drawn down up to \$14,000,000. For the duration of the term, the Company will be required to repay the face value of each amount drawn down under the Funding Agreement by issuing shares up to that amount, or in cash, in accordance with the terms of the Funding Agreement.

Listing Rule 7.1 restricts the number of Equity Securities a company may issue (or agree to issue) in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the commencement of that 12 month period (subject to specified exceptions). If approval is obtained under Listing Rule 7.1 for an issue of Shares, those Shares must be issued within 3 months of the date of that approval (unless a waiver from ASX is obtained).

The Company anticipates that over the next 3 months, it may be required to issue up to 25 million Shares to Lind (or its nominee) under the Funding Agreement to satisfy its repayment obligations.

Accordingly, under this Resolution, the Company seeks from Shareholders approval for the issue of up to 25 million Shares to Lind (or its nominee) to allow the Company to issue those Shares to Lind (or its nominee). As announced to ASX on 23 April 2018, the Company has no placement capacity available until 20 June 2018 (and therefore will not be able to make repayments in Shares before that date unless approval is obtained from shareholders).

Given the longer term nature of the Funding Agreement, the Company may seek similar approvals from Shareholders at future general meetings (if required).

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution:

- (a) Up to 25 million Shares may be issued.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting and will be issued as and when required during that period in accordance with the terms of the Funding Agreement.
- (c) The Shares will be issued at a price determined under the Funding Agreement. Shares will only be issued under this Resolution if their issue price as calculated under the Funding Agreement is at least 80% of the VWAMP for Shares calculated over the last 5 days on which sales in Shares were recorded before the day on which the issue is made. If the issue price as calculated under the Funding Agreement is less than that minimum price, the Shares will still be issued (to the extent within the Company's 15% placement capacity under Listing Rule 7.1 once that capacity refreshes on 20 June 2018) but will not fall within the approval under Resolution 1. For example, if the 5 day VWAMP for Shares is \$0.089 but the issue price as calculated under the Funding Agreement is \$0.08, then the Shares will be issued pursuant to the approval sought under Resolution 1. However, if the issue price as calculated under the Funding Agreement is \$0.07, then the Company will still issue the Shares (to the extent it has placement capacity available) but the issue will not fall within the approval sought under Resolution 1. If the Company does not have any placement capacity available to issue the relevant Shares, the repayment obligation will be settled in cash. If 5,000,000 Shares are issued under this Resolution, Shareholders will be diluted by approximately 0.46% (based on

the number of Shares on issue as at the date of this Notice). If 25,000,000 Shares are issued under this Resolution (which is the maximum amount that could be issued), Shareholders will be diluted by approximately 2.24% (based on the number of Shares on issue as at the date of this Notice).

- (d) The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (e) The Shares will be issued to Lind (or its nominee).
- (f) The Company will not raise any funds through the issue of the Shares, but the issue will satisfy obligations of the Company to repay amounts drawn down under the Funding Agreement.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting.

RESOLUTION 2 – CANCELLATION OF OPTIONS

Background

The Company has issued:

- (a) 30,000,000 Options to Lind each with an exercise price of \$0.12 and an expiry date of 31 December 2019 under the Funding Agreement (**Lind Options**); and
- (b) 5,023,076 Options to the sophisticated and professional investors who participated in the placement announced on 27 December 2017 (**December Placement**) each with an exercise price of \$0.12 and an expiry date of 31 December 2019 (**December Options**).

Please refer to the Explanatory Memorandum for Resolution 1 for further information about the Funding Agreement.

The terms of the Lind Options are set out in Annexure 1 and the terms of the December Options are set out in Annexure 2. The Lind Options and the December Options were issued under private placement without using a disclosure document (such as a prospectus).

The Company has also previously announced on ASX that it proposes to carry out a bonus issue to eligible shareholders who hold shares as at a 'Record Date' (which is yet to be determined) (**Bonus Issue**) such that each eligible shareholder will receive 1 free new option for every 5 Shares held with an exercise price of \$0.12 per option and an expiry date of 31 December 2019 (**Bonus Issue Option**), subject to a prospectus being prepared and lodged with ASIC. The remaining terms of the Bonus Issue Options will be the same as the terms of the December Options, which are set out in Annexure 2.

The Company wishes to apply for quotation of the Bonus Issue Options and also seek quotation of the December Options and the Lind Options. However, Listing Rule 6.15 provides that all quoted options issued by an entity with the same expiry date must have the same terms. This means that the terms of the Lind Options (which are already the same as the December Options and the Bonus Issue Options in terms of exercise price and expiry date but which are slightly different in the remainder of the terms) must be aligned with the December Options and the Bonus Issue Options.

In addition, the Company sought ASIC relief from the secondary trading provisions of the Corporations Act in relation to the trading of Shares issued on exercise of the December Options so that the Company would not need to issue 'cleansing notices' each time the December Options were exercised. ASIC's in-principle decision on the relief application was that it would not be granted and the Company, as a result, has withdrawn its application.

This means that in order for the Company to achieve quotation of the Lind Options, the December Options and the Bonus Issue Options as one class of securities that are freely tradeable both on issue and on exercise of the respective options, the following must occur:

- (a) the Lind Options will need to be cancelled and new options issued to Lind (or its nominee) under the Bonus Issue prospectus on the terms set out in Annexure 2 – that is, they will be issued

with an exercise price of \$0.12 and an expiry date of 31 December 2019 and the remainder of their terms will be as set out in Annexure 2 (**New Options**);

- (b) the December Options will need to be cancelled and New Options issued under the Bonus Issue prospectus to those investors who participated in the December Placement.

Once the Lind Options and the December Options have been cancelled and New Options issued under the Bonus Issue prospectus as referred to above, the New Options and also the Shares issued on exercise of those New Options will be freely tradeable without the need for the Company to issue cleansing notices due to operation of the Corporations Act and *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

In effect, if Resolutions 2 and 3 are passed:

- (a) the New Options that will be issued to Lind will have the same exercise price and expiry date as the Lind Options but will otherwise be issued under the Bonus Issue prospectus on the terms set out in Annexure 2 (so that they can be quoted in the same class as the Bonus Issue Options and be freely tradeable); and
- (b) the New Options that will be issued to the investors who participated in the December Placement will be on the same terms as the December Options (and the Bonus Issue Options) but they will instead be issued under the Bonus Issue prospectus so that they can be freely tradeable.

Lind and each of the investors who participated in the December Placement have agreed to the cancellation of the Lind Options and the December Options (respectively) pursuant to this Resolution subject to the issue of New Options under the Bonus Issue prospectus and Shareholder approval. The issue of the New Options to Lind and the other investors is the subject of Resolution 3.

Listing Rule requirements

Listing Rule 6.23.2 provides (among other things) that a change which has the effect of cancelling an option for consideration can only be made if holders of ordinary securities approve the change.

Listing Rule 6.23.3 provides (among other things) that a change which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise cannot be made. The cancellation of the Lind Options and the December Options in consideration for the issue of New Options with a nil issue price, a \$0.12 exercise price per option and a 31 December 2019 expiry date (on the terms set out in Annexure 2) will not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise and is therefore permitted under Listing Rule 6.23.2 provided Shareholder approval is obtained.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

A voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting.

RESOLUTION 3 – ISSUE OF NEW OPTIONS

Please refer to the Explanatory Memorandum for Resolution 2 in relation to the reasons why the Company proposes to issue the New Options.

Under this Resolution, and subject to Resolution 2 being passed, the Company proposes to issue:

- (a) 30,000,000 New Options to Lind (or its nominee); and
- (b) 5,023,076 New Options to the investors who participated in the December Placement,

in consideration for cancellation of the same number of Options pursuant to Resolution 2.

The Company will seek quotation of the New Options alongside the Bonus Issue Options referred to in Resolution 2.

Accordingly, under this Resolution, the Company seeks from Shareholders approval for the issue of the 35,023,076 New Options as described above without using the Company's placement capacity under Listing Rule 7.1 and so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution:

- (a) 35,023,076 New Options will be issued.
- (b) The New Options will be issued as soon as practicable but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The New Options will be issued in consideration for cancellation of the Options referred to in Resolution 2.
- (d) The New Options will have an exercise price of \$0.12 per New Option and an expiry date of 31 December 2019 and will otherwise be issued on the terms set out in Annexure 2.
- (e) 30,000,000 New Options will be issued to Lind (or its nominee) and 5,023,076 New Options will be issued to the investors who participated in the December Placement.
- (f) The Company will not raise any funds through the issue of the New Options.

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

A voting exclusion applies to Resolution 3 in the terms set out in the Notice of Meeting.

RESOLUTION 4 – ISSUE OF OPTIONS TO HUATAI

On 6 March 2018, the Company issued 12,820,513 Shares to Huatai Mining Pty Ltd (**Huatai**) and the Company proposes to issue 1,282,052 free attaching Options to Huatai (on the basis of 1 option for every Share that was issued to Huatai in March) with an exercise price of \$0.12 per Option and an expiry date of 31 December 2019 (**Huatai Options**).

The Huatai Options will be issued on the same as the terms of the New Options, as set out in Annexure 2.

In the same manner that the Company will seek quotation of the New Options, the Company will also seek quotation of the Huatai Options and will also seek to issue the Huatai Options under the Bonus Issue prospectus referred to in Resolution 2 so that the Huatai Options and the Shares issued on exercise of the Huatai Options are freely tradeable.

Accordingly, under this Resolution, the Company seeks from Shareholders approval for the issue of the 1,282,052 Huatai Options.

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution:

- (a) 1,282,052 Huatai Options will be issued in total.
- (b) The Huatai Options will be issued as soon as practicable under the Bonus Issue prospectus referred to in Resolution 2, but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Huatai Options will be issued for a nil issue price.
- (d) The Huatai Options will be issued on the following terms: exercise price of \$0.12 per Huatai Option and an expiry date of 31 December 2019. The remaining terms of the Huatai Options are set out in Annexure 2.
- (e) The Huatai Options will be issued to Huatai (or its nominee).
- (f) The Company will not raise any funds through the issue of the Huatai Options. However, if all Huatai Options are exercised, the Company will raise \$153,846 (before costs) which will be used to support the Company's project activities and for general working capital.

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

A voting exclusion applies to Resolution 4 in the terms set out in the Notice of Meeting.

RESOLUTION 5 – ISSUE OF CONVERTIBLE NOTES TO SINOSTEEL

As previously announced, the Company and Sinosteel Equipment & Engineering Co., Ltd (**Sinosteel**) entered into an agreement for the engineering, procurement and construction of the Company's pilot plant at its Browns Range Project (**EPC Contract**).

Under the EPC Contract, the Company is required to pay Sinosteel \$3,000,000 for various works that have been completed (**Monies Owing**).

The Company is proposing to, subject to shareholder approval (and certain other conditions), issue 3,000,000 convertible notes (**Notes**) to Sinosteel satisfy the obligation to pay the Monies Owing to Sinosteel under the EPC Contract.

No formal agreement has been entered into between the Company and Sinosteel in relation to the issue of the Notes as at the date of this Notice, but the key terms of the Notes are proposed to be as follows:

- each Note has a face value of \$1.00;
- the Notes (plus an interest amount of \$300,000) are convertible into Shares at Sinosteel's election at any time before 31 December 2018 at the lower of \$0.078 per Share or the 20 day VWAP immediately before a notice to convert is issued (**Conversion Price**);
- the minimum price (ie, the floor price) at which the Notes may be converted is \$0.05 per Share (**Floor Price**);
- if the Conversion Price is less than the Floor Price, the Company must pay to Sinosteel an amount equal to the number of Notes converted (plus interest of \$300,000) multiplied by the difference between the Floor Price and the Conversion Price, in cash;
- the Notes may be redeemed by the Company on or before 31 December 2018 (if they have not yet been converted into Shares); and
- Sinosteel may redeem the notes if an 'event of default' occurs in relation to the Company.

The remaining proposed key terms of the Notes are set out in Annexure 3.

Accordingly, under this Resolution, the Company seeks from Shareholders approval for the issue of the 3,000,000 Notes (convertible into a maximum of 66,000,000 Shares) as described above, on the basis that Sinosteel and the Company enter into an agreement for this purpose. If Sinosteel and the Company enter into an agreement on terms that are materially different to the terms set out in this Notice, the Company will seek fresh Shareholder approval before the relevant securities are issued to Sinosteel (to the extent required).

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution. Accordingly, assuming the Company and Sinosteel enter into an agreement in relation to the above:

- (a) 3,000,000 Notes will be issued in total (convertible into a maximum of 66,000,000 Shares).
- (b) The Notes will be issued as soon as practicable once all conditions have been satisfied but no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The Notes will be issued in consideration for the Monies Owing (of \$3,000,000).
- (d) The key terms of the Notes are set out above.
- (e) The Notes will be issued to Sinosteel.
- (f) The Company will not raise any funds through the issue of the Notes. However, if the Notes are issued, the Company will not be required to pay the Monies Owing to Sinosteel under the EPC contract.

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

A voting exclusion applies to Resolution 5 in the terms set out in the Notice of Meeting.

Annexure 1

Lind Option Terms

1.1 Nature of Options

- (a) Each Option shall grant the holder of that Option the right but not the obligation to be issued by the Company one Share at \$0.12 per Share (**Option Exercise Price**).
- (b) Each Option shall be exercisable by the Option holder complying with its obligations under these terms, at any time after the time of its grant, and prior to 31 December 2019 (**Option Expiration Date**) after which time it will lapse.

1.2 Exercise of Options

- (a) An Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form (**Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time, by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than three (3) Business Days after receipt of a duly completed Exercise Form and the payment referred to in clause 1.2(a)(ii), the Company must cause its securities registrar to:
 - (i) issue and Electronically Deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded in the Company's Share register.

1.3 Bonus Issues

If prior to an exercise of an Option, the Company makes an issue of Equity Securities by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan) pursuant to an offer of such Equity Securities to at least all the holders of Equity Securities resident in Australia, then on exercise of the Option, the number of Equity Securities over which an Option is exercisable shall be increased by the number of Equity Securities which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

1.4 Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Equity Securities resident in Australia for the subscription for cash with respect to Equity Securities, options or other securities of the Company on a pro rata basis relative to those holders' Shareholding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

1.5 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Equity Securities to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Equity Securities shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

1.6 Cumulative Adjustments

Full effect shall be given to the provisions of clauses 1.3 to 1.5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Equity Securities already on issue.

1.7 Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price is adjusted, the Company must give notice of the adjustment to all the Option holders, within three (3) Business Days.

1.8 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

1.9 Redemption

The Options shall not be redeemable by the Company.

1.10 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and other applicable laws.

Annexure 2
\$0.12 - 31 December 2019 Option Terms

(1) Entitlement

Subject to adjustment in accordance with these terms and conditions, each Option entitles the Optionholder to subscribe for one (1) unissued Share upon payment of the Exercise Price (as defined below) before the Expiry Date (as defined below).

(2) Exercise Price

The exercise price of each Option is \$0.12 (**Exercise Price**)

(3) Expiry Date

An Option is exercisable at any time after the date of issue and on or before 31 December 2019 (**Expiry Date**). Options that are not exercised by the Expiry Date shall lapse.

(4) Notice of Exercise

The New Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(5) Minimum number of New Options exercised

The Optionholder may not exercise less than 1,000 Options at any one time, unless the Optionholder has less than 1,000 Options in which case the Optionholder must exercise all their Options together.

(6) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company on issue.

(7) Quotation of shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Options.

(8) No certificate

No certificate will be issued if the Options are granted quotation on ASX.

(9) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and

- (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 Business Days from the date of exercise of the New Option.

(10) Participation in new issues

An Optionholder may participate in new issues of equity securities to holders of Shares if and to the extent that:

- (i) an Option has been exercised; and
- (ii) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

Optionholders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Optionholders with notice prior to the record date to determine entitlement to any new issue of securities made to Shareholders generally, in accordance with the requirements of the Listing Rules.

(11) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(12) Adjustment for rights issue

If the Company makes a pro-rata issue of Shares to existing Shareholders (other than a bonus issue), the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$

- O = the old Exercise Price of the Option
- E = the Number of underlying Shares into which one (1) Option is exercisable
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

- S = the subscription price of a Share under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro-rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(13) **Adjustments for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

(14) **Exercise instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

(15) **Voting and dividend rights**

The Options carry no rights to vote at a meeting of Shareholders, and no rights to dividends.

Annexure 3
Proposed Remaining Key Terms of the Sinosteel Notes

1. The Notes will not be listed or quoted on any securities exchange.
2. The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Company.
3. The Notes are not transferable and any purported transfer by the Noteholder of the Notes is void.
4. The Notes do not confer:
 - a. any beneficial entitlement to, or interest in, any Shares until such Shares are issued to the Noteholder pursuant to the terms;
 - b. any right to vote at a general meeting of the Company;
 - c. any right or beneficial entitlement to be paid or credited a dividend declared or determined by the Company or any other right or beneficial entitlement to participate in a distribution of profits of the Company;
 - d. any entitlement (beneficial or otherwise) to a share of the property of the Company that could be distributed among the members of the Company if property of the Company were distributed among its members, including through a distribution or return of capital of the Company, whether as a result of a winding up or otherwise; or
 - e. the right to participate in any new issue of Shares or other securities without first converting the Notes.
5. Each Share issued upon conversion of the Notes will, as from the date of conversion, rank in all respects pari passu with the then issued Shares of the Company.
6. If the Company makes a Bonus Issue (being a pro rata issue of Shares to holders of Shares for which no consideration is payable by them) and allots to the holders of Shares any Bonus Shares, then the Company must in addition to any Shares to be issued to the Noteholder on conversion of the Notes issue to the Noteholder the number of Bonus Shares as the Noteholder would have been entitled to receive under the Bonus Issue if it had converted the Note into Shares:
 - a. immediately prior to the record date for the issue of Bonus Shares; or
 - b. if before the conversion of the Note there has been more than one issue of Bonus Shares, immediately prior to the record date for the first issue of Bonus Shares, and had retained all the Shares issued on conversion together with all the Bonus Shares which would have been issued to it under this clause following the first issue of Bonus Shares.
7. If and whenever there is a consolidation or subdivision of the Shares, the Conversion Price will be adjusted in the inverse proportion to the ratio of the consolidation or subdivision of the Shares. Such adjustment shall become effective on the date the alteration takes effect.
8. If and whenever the Company pays or makes any return of capital to shareholders the Conversion Price will be adjusted by reducing the Conversion Price in force immediately prior to such return of capital by the same amount as the amount of the capital returned per Share. Such adjustment will become effective on the date on which such return of capital is made.

In this Annexure 3, "Noteholder" means Sinosteel Equipment & Engineering Co., Ltd.

Code:

NTU

Holder Number:

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.

SECTION A: Appointment of Proxy

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

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Friday 8 June 2018 at Level 1, 675 Murray Street, West Perth, Western Australia 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. ISSUE OF SHARES TO LIND

For

☐

Against

☐

Abstain*

☐

2. CANCELLATION OF OPTIONS

☐
☐
☐

3. ISSUE OF NEW OPTIONS

☐
☐
☐

4. ISSUE OF OPTIONS TO HUATAI

☐
☐
☐

5. ISSUE OF CONVERTIBLE NOTES TO SINOSTEEL

☐
☐
☐

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

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Wednesday 6 June 2018.

Name:

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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.

Email registrar@securitytransfer.com.au

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