
VENTUREX RESOURCES LIMITED

ACN 122 180 205

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:00pm (WST)
DATE: 15 August 2018
PLACE: BDO
38 Station Street
Subiaco 6008 WA

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00PM (WST) on 13 August 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 222,222,222 Shares (on a pre-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF PERFORMANCE RIGHTS TO MR ANTHONY REILLY

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Performance Rights (on a pre-Consolidation basis) to Mr Anthony Reilly (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Anthony Reilly (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. RESOLUTION 3 – ISSUE OF PERFORMANCE RIGHTS TO MR AJANTH SAVERIMUTTO

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 65,000,000 Performance Rights (on a pre-Consolidation basis) to Mr Ajanth Saverimutto (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Ajanth Saverimutto (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. **RESOLUTION 4 – APPROVAL OF TERMINATION BENEFITS TO MR AJANTH SAVERIMUTTO**

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

"That, for the purposes of sections 200B and 200E of the Corporations Act and ASX Listing Rule 10.19, and for all other purposes, the giving of benefits to Mr Ajanth Saverimutto in connection with Mr Ajanth Saverimutto ceasing to hold a managerial or executive office in the Company, be approved on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ajanth Saverimutto or any of his associates (**Resolution 4 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 4 Excluded Party, 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.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if the proxy is either a member of the Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 4 Excluded Party, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. **RESOLUTION 5 – CONSOLIDATION OF CAPITAL**

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

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

(a) every 15 Shares be consolidated into 1 Share; and

(b) every 15 Options be consolidated into 1 Option; and

(c) every 15 Performance Rights be consolidated into 1 Performance Right,

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

Dated: 12 July 2018
By order of the Board



TREVOR HART
Company Secretary

Voting in person

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Trevor Hart on +61 8 6389 7400.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

1.1 General

As announced on 17 November 2017, the Company issued 222,222,222 Shares (on a pre-Consolidation basis) at an issue price of \$0.018 per Share to raise approximately \$4,000,000 as part of the placement to sophisticated and professional investors.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

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

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 222,222,222 Shares were issued (on a pre-Consolidation basis);
- (b) the issue price was \$0.018 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional and sophisticated investors of Canaccord Genuity (Australia) Limited and Euroz Securities Limited. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for advancing the Sulphur Springs Copper-Zinc Project, including resources and regional, exploration drilling, metallurgical test work, EPA approvals, progressing a DFS in relation to this project, and general base metal and gold exploration at Whim Creek as well as general working capital purposes.

2. RESOLUTION 2 – ISSUE OF ED PERFORMANCE RIGHTS TO MR ANTHONY REILLY

2.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue 10,000,000 Performance Rights (on a pre-Consolidation basis) to Executive Director, Mr Anthony Reilly (or his nominee), subject to meeting the vesting condition set out in Schedule 1 (**ED Performance Rights**).

Resolution 2 seeks Shareholder approval for the issue of the ED Performance Rights to Mr Anthony Reilly (or his nominee).

2.2 Chapter 2E of the Corporations Act

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

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

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

The issue of ED Performance Rights constitutes giving a financial benefit and Mr Anthony Reilly is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Anthony Reilly who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the ED Performance Rights because the agreement to issue the ED Performance Rights, reached as part of an incentive package for Mr Anthony Reilly, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

2.3 ASX Listing Rule 10.11

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

As the issue of the ED Performance Rights involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

2.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the ED Performance Rights will be issued to Mr Anthony Reilly (or his nominee);

- (b) the number of ED Performance Rights to be issued is 10,000,000 (on a pre-Consolidation basis). Subject to Shareholders approving this Resolution and the proposed Consolidation in Resolution 5, post-Consolidation, Mr Reilly will hold 666,667 ED Performance Rights;
- (c) the ED Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the ED Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the ED Performance Rights are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the ED Performance Rights as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of ED Performance Rights to Mr Anthony Reilly (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

3. RESOLUTION 3 – ISSUE OF MD PERFORMANCE RIGHTS TO MR AJANTH SAVERIMUTTO

3.1 General

On 5 April 2018, the Company announced the appointment of Mr Saverimutto as Managing Director of the Company.

The Company has agreed, subject to obtaining Shareholder approval, that Mr Saverimutto (or his nominee), as part of his terms of employment as Managing Director, will be entitled to up to 65,000,000 Performance Rights (on a pre-Consolidation basis), subject to meeting the vesting conditions set out in Schedule 2 (**MD Performance Rights**).

The primary purpose of the issue of the MD Performance Rights to Mr Saverimutto is to provide a performance linked incentive component in his remuneration package to motivate and reward the performance of Mr Saverimutto in his role as Managing Director.

The Board has considered the remuneration package of Mr Saverimutto as a whole and has determined that:

- (a) the issue of the MD Performance Rights, and in particular the vesting conditions, will align the interests of Mr Saverimutto with those of Shareholders;
- (b) the issue of the MD Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Saverimutto; and
- (c) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the MD Performance Rights upon the terms proposed.

Resolution 3 seeks Shareholder approval for the issue of the MD Performance Rights to Mr Saverimutto (or his nominee).

3.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.2 above.

The issue of the MD Performance Rights constitutes giving a financial benefit and Mr Ajanth Saverimutto is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Ajanth Saverimutto who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the MD Performance Rights because the agreement to issue the MD Performance Rights, reached as part of the remuneration package for Mr Ajanth Saverimutto, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

3.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 2.3 above.

As the issue of the MD Performance Rights involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the MD Performance Rights will be issued to Mr Ajanth Saverimutto (or his nominee);
- (b) the maximum number of MD Performance Rights to be issued is 65,000,000 (on a pre-Consolidation basis). Subject to Shareholders approving this Resolution and the proposed Consolidation in Resolution 5, post-Consolidation, Mr Saverimutto will hold 4,333,334 MD Performance Rights;
- (c) the MD Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the MD Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the MD Performance Rights are set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the MD Performance Rights as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of MD Performance Rights to Mr Ajanth Saverimutto (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4. RESOLUTION 4 – APPROVAL OF TERMINATION BENEFITS TO MR AJANTH SAVERIMUTTO

4.1 General

As set out in Section 3.1 above, Mr Saverimutto was appointed as the Managing Director of the Company on 5 April 2018.

The Company has entered into an executive services agreement with Mr Saverimutto pursuant to which Mr Saverimutto is appointed as Managing Director of the Company (**Executive Services Agreement**). Under the terms of the Executive Services Agreement, Mr Saverimutto's employment will continue until it is terminated in accordance with the terms of the Executive Services Agreement.

The material terms of the Executive Services Agreement are as follows:

- (a) **Term:** Mr Saverimutto is engaged for a 24-month period commencing on 5 April 2018 (**Commencement Date**) (**Term**). The Term may be extended by mutual agreement of the parties.
- (b) **Remuneration:** In consideration for services provided by Mr Saverimutto as Managing Director, Mr Saverimutto will be entitled to base salary of \$220,000 per annum plus superannuation, reviewed annually (**Salary**).
- (c) **Incentive Bonus:** Mr Saverimutto will be eligible to receive an annual short-term incentive bonus (to be calculated in accordance with the formula agreed between the Board and Mr Saverimutto) in addition to his Salary.
- (d) **Performance Rights:** The Company has agreed, subject to Shareholder approval, to issue Mr Saverimutto, the MD Performance Rights detailed in Resolution 3 (and on the terms set out in Schedule 2).
- (e) **Termination by Mutual Agreement:** The Executive Services Agreement may be terminated upon mutual agreement of the parties.

If the Executive Services Agreement is terminated by mutual agreement prior to the expiry of the Term, the Company must pay Mr Saverimutto the Termination Payment (defined below) within seven (7) days of the date of termination.

- (f) **Termination by the Company:** The Company may at its sole discretion terminate Mr Saverimutto's employment in the following manner:
 - (i) immediately, by giving written notice if Mr Saverimutto:
 - (A) commits any act of dishonesty, fraud, wilful disobedience, misbehaviour or breach of duty connected with the performance of his services as Managing Director;
 - (B) commits an act of bankruptcy, enters into any deed or composition or arrangement with his creditors or be unable to pay his debts as and when they become due;

- (C) engages in wilful misconduct or acts in a manner which is grossly negligent or incompetent in the performance of his services as Managing Director;
 - (D) becomes physically or mentally incapacitated to the extent Mr Saverimutto is no longer able to carry out the duties and responsibilities associated with the position and for these purposes, is incapacitated for 3 consecutive months or for an aggregate period of 3 months in any period of 12 months and is not taking personal leave for the duration of the absence;
 - (E) is convicted of an indictable offence during the Term which, in the reasonable opinion of the Board, brings the Company or Mr Saverimutto into serious disrepute; or
 - (F) dies or becomes of unsound mind; or
- (ii) by giving written notice of twelve months, within the first 24 months of the Commencement Date.

In the event that the Executive Services Agreement is terminated by the Company in accordance with Section 4.1(f)(i), the Company must pay Mr Saverimutto Termination Payment B (defined below) within seven (7) days of the date of termination.

In the event that the Executive Services Agreement is terminated by the Company in accordance with Section 4.1(f)(ii), Mr Saverimutto may elect to immediately terminate the Executive Services Agreement and his employment under it by giving notice in writing to the Company within 21 days of receipt of the Company's notice of termination and the Company must pay Mr Saverimutto the Termination Payment (defined below) within seven (7) days of the date of termination.

(g) **Termination by Mr Saverimutto:** Mr Saverimutto may terminate the employment in the following manner:

- (i) if at any time the Company commits any serious or persistent breach of any of the provisions contained in Mr Saverimutto Services Agreement and the breach is not remedied within seven (7) days of receipt of written notice from Mr Saverimutto to the Company to do so, by giving notice effective immediately;
- (ii) by Mr Saverimutto giving three (3) months' written notice to the Company;
- (iii) immediately, by Mr Saverimutto giving written notice, if:
 - (A) Mr Saverimutto's role as Managing Director of the Company undergoes a material variation or diminution of responsibilities, at any time after three (3) months from the Commencement Date, including a material change in his authority in respect of the Business or a change in his reporting relationship with the Board, in which case Mr Saverimutto shall have the option to elect to terminate the agreement within one month of

the date of him being notified of this role change and if he so elects the agreement will be terminated; or

- (B) the Company:
- (I) enters into any deed of composition or arrangement with its creditors;
 - (II) is placed under the control of a receiver, receiver and manager, provisional liquidator or liquidator; or
 - (III) is in breach of any regulation of any government or regulatory authority which breach remains unremedied.

If the employment is terminated in accordance with Section 4.1(g)(i) prior to the expiry of the Term, the Company must pay Mr Saverimutto the Termination Payment (defined below) within seven (7) days of the date of termination.

If the employment is terminated in accordance with Section 4.1(g)(ii) prior to the expiry of the Term, the Company must pay Mr Saverimutto Termination Payment B (defined below) within seven (7) days of the date of termination.

If the employment is terminated in accordance with Section 4.1(g)(iii)(A) prior to the expiry of the Term, the Company must pay Mr Saverimutto Termination Payment A (defined below), together with all accrued entitlements, within seven (7) days of the date on which Mr Saverimutto elected to terminate the employment.

If the employment is terminated in accordance with Section 4.1(g)(iii)(B) prior to the expiry of the Term, Mr Saverimutto will not receive any termination payment.

- (h) **Termination Payment:** The termination payment comprises:
- (i) an amount equal to the amount Mr Saverimutto would have received if the balance of the Term had been served but not exceeding twelve (12) months current Salary (**Termination Payment A**); and
 - (ii) the aggregate of unpaid annual Salary and annual leave accrued to the date of termination (**Termination Payment B**),
(together, the **Termination Payments**).
- (i) **Effect of Termination on Performance Rights:** If the Company terminates the Executive Services Agreement pursuant to Section 4.1(f)(i) or 4.1(g)(ii), any MD Performance Rights will lapse unless agreed otherwise by the Board.

If the Executive Services Agreement is terminated for any other reason, then a "**Vesting Termination Event**" shall be deemed to have occurred and any Performance Rights granted to Mr Saverimutto which have not yet vested will vest in accordance with the "**Alternate Vesting Conditions**" specified in clause (e) of Schedule 2. The Company is currently unable to give an indication of the value of this potential termination benefit, as this will depend on the Share price and

circumstances of the Company at the time of vesting and conversion of these Performance Rights.

Refer to the Company's ASX Announcement dated 5 April 2018 for further information.

4.2 Part 2D.2 of the Corporations Act

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

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

Shareholder approval for the Termination Payments, and the potential termination benefit from the Alternate Vesting Conditions applying upon certain termination events occurring, is being sought pursuant to sections 200B and 200E of the Corporations Act.

4.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.2 above.

The Termination Payments and the Alternate Vesting Conditions constitute giving a financial benefit and Mr Saverimutto is a related party by virtue of being a Director of the Company.

The Directors (other than Mr Saverimutto) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Termination Payments because the agreement to make the Termination Payments as part of Mr Saverimutto's remuneration package was negotiated on an arm's length basis.

4.4 ASX Listing Rule 10.19

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

The Company's equity interests as set out in its accounts for the period ended 31 December 2017 (being the latest accounts given to ASX) was \$21,856,733, and 5% of this figure is \$1,092,837. Whilst the Termination Payments are unlikely to exceed this amount, the Company is unable to give an indication of the value of any Shares issued upon conversion of Performance Rights (given certain Performance Rights vest upon a Termination Vesting Event occurring).

As such, Shareholder approval is being sought under ASX Listing Rule 10.19 in respect of the Termination Payments, and any associated vesting of Performance Rights, in case the aggregate value of these termination benefits exceeds the 5% threshold in ASX Listing Rule 10.19.

5. RESOLUTION 5 – CONSOLIDATION OF CAPITAL

5.1 Background

If Resolution 5 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (i) Shares on issue will be reduced from 3,598,434,633 to 239,895,643 (subject to rounding);
- (ii) Options on issue at the date of the Consolidation will be reduced from 174,626,992 to 11,641,800 (subject to rounding and noting that 41,666,671 Options that are currently on issue will expire prior to the date of the Consolidation); and
- (iii) Performance Rights on issue will be reduced from 8,215,600 to 547,707 (subject to rounding).

5.2 Legal requirements

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

5.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 15. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

5.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

5.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

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

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

5.6 Effect on capital structure

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

Capital Structure	Shares	Unquoted Options ^{2,3}	Performance Rights
Securities currently on issue	3,598,434,633	216,293,663	8,215,600
Securities issued pursuant to Resolution 2	-	-	10,000,000
Securities issued pursuant to Resolution 3	-	-	65,000,000
Total Securities on issue pre-Consolidation ¹	3,598,434,633	216,296,663	83,215,600
Total Securities on issue Post-Consolidation Securities	239,895,643	11,641,800	5,547,707

1. Assuming that no Options are exercised, and no Performance Rights are converted prior to the Consolidation.
2. The terms of these Options are set out in the table below.
3. 41,666,671 Options will expire on 3 August 2018, prior to the Consolidation occurring, as noted in the table below.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre-Consolidation

Terms	Number
Options exercisable at \$0.03 each on or before 3 August 2018 ¹	41,666,671
Options exercisable at \$0.03 each on or before 31 August 2018	174,626,992
Total	216,293,663

1. These Options will expire on 3 August 2018, prior to the Consolidation occurring.

Options – Post-Consolidation

Terms	Number
Options exercisable at \$0.45 each on or before 31 August 2018	11,641,800
Total	11,641,800

5.7 Indicative timetable

If Resolution 5 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	16 July 2018
Company tells ASX that Shareholders have approved the Consolidation.	15 August 2018

Action	Date
Last day for pre-Consolidation trading.	16 August 2018
Post-Consolidation trading starts on a deferred settlement basis.	17 August 2018
Last day for Company to register transfers on a pre-Consolidation basis.	20 August 2018
First day for Company to send notice to each holder of the change in their details of holdings.	21 August 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	27 August 2018
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

BFS means a bankable feasibility study, being a feasibility study of a standard to be submitted to a financial institution as the basis for lending of funds for the development and operation of the Sulphur Springs Project and is capable of supporting a decision to mine the deposit referred to in the definition of the Sulphur Springs Project.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Closely Related Party of a Member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Venturix Resources Limited (ACN 122 180 205).

Commencement Date means the commencement date set out in the Executive Services Agreement, being 5 April 2018.

Consolidation means the consolidation of the Company's capital on a 15:1 basis proposed pursuant to Resolution 5.

Constitution means the Company's constitution.

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

DFS means definitive feasibility study.

Directors means the current directors of the Company.

ED Performance Rights means the Performance Rights to be issued to Director, Anthony Reilly, if Resolution 2 is approved.

Executive Services Agreement has the meaning set out in Section 4.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

For Cause means the termination by the Company of Mr Saverimutto's employment as Managing Director for a reason set out in Section 4.1 (f)(i).

For Convenience means the termination by Mr Saverimutto of his employment as Managing Director for convenience as set out in Section 4.1 (g)(ii).

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Material Transaction means any one of the following:

- (a) the Company enters into an agreement with a third party on reasonable terms to dispose of at least a fifty percent (50%) interest in the Sulphur Springs Project and that agreement, if conditional, has become unconditional;
- (b) upon:
 - (i) a takeover bid under chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (B) being declared unconditional by the bidder; or
 - (ii) a court granting orders approving a compromise or arrangement for the purposes of, or in connection with, a scheme of arrangement for the reconstruction of the Company, or its amalgamation with any other company or companies;
- (c) upon the acquisition by an entity of shares in the Company that enables that entity to control the composition of the Board; or
- (d) upon the Company raising sufficient money on reasonable terms to develop the Sulphur Spring Project whether by equity funding or debt funding.

MD Performance Rights means the Performance Rights to be issued to Director, Ajanth Saverimutto, if Resolution 3 is approved.

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

Performance Right means a performance right in the capital of the Company.

Proxy Form means the proxy form accompanying the Notice.

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

Salary means the salary of the Company's Managing Director, Mr Saverimutto, as set out in Section 4.1 (b).

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Sulphur Springs Project means the 100% owned Sulphur Springs copper-zinc deposit located in Western Australia.

Term means the terms of the Executive Services Agreement, being 24 months.

Termination Payment means Termination Payment A and the Termination Payment B.

Termination Payment A has the meaning given in Section 4.1 (h) (i).

Termination Payment B has the meaning given in Section 4.1 (h) (ii).

Vesting Termination Event means the termination of the Executive Services Agreement and the employment under it for any reason other than if the Executive Services Agreement is terminated for the reasons specified in Sections 4.1 (f) (i) or 4.1 (g) (ii).

VWAP means volume weighted average price.

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

SCHEDULE 1 – TERMS OF ED PERFORMANCE RIGHTS

The terms of the ED Performance Rights are set out as follows:

- (a) **(Entitlement):** Each ED Performance Right entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the relevant Vesting Condition (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Consideration):** The ED Performance Rights will be issued for no consideration and no consideration will be payable upon the conversion of the ED Performance Rights into Shares.
- (c) **(Expiry Date):** Any ED Performance Right that has not been converted into a Share prior to the date that is 24 months from the date of issue of the ED Performance Right will automatically lapse (**Expiry Date**).
- (d) **(Vesting Conditions):** The ED Performance Rights shall vest on the Company entering a Material Transaction (**Vesting Condition**).
- (e) **(Notification to holder):** The Company shall give written notice to the Holder promptly following satisfaction of a Vesting Condition or lapse of an ED Performance Right where the Vesting Condition is not satisfied.
- (f) **(Conversion):** Upon vesting, each ED Performance Right will, at the election of the Holder, by giving written notice to the Company within 30 days of vesting and prior to the Expiry Date (**Conversion Notice**), convert into one Share.
- (g) **(Issue of Shares upon Conversion):** The Company will issue the Share on conversion of an ED Performance Right within 10 Business Days following the conversion or such other period required by the ASX Listing Rules.
- (h) **(Listing of shares on ASX):** The Company will not apply for quotation of the ED Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of ED Performance Rights on ASX within the period required by the ASX Listing Rules.
- (i) **(Share ranking):** All Shares issued upon the vesting of ED Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (j) **(Holding statement):** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of an ED Performance Right within 10 Business Days following the issue of the Share.
- (k) **(Not transferable):** An ED Performance Right is not transferable.
- (l) **(Participation in new issues):** There are no participating rights or entitlements inherent in the ED Performance Rights and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ED Performance Rights.
- (m) **(Adjustment for Reorganisation):** If, at any time, the issued capital of the Company is reorganised (including subdivision, reduction or return), all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (n) **(Dividend and Voting Rights):** An ED Performance Right does not confer on the holder an entitlement to notice of, or to vote or attend at, a meeting of Shareholders of the Company or receive dividends declared by the Company.
- (o) **(No rights to return of capital):** An ED Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (p) **(Rights on winding up):** An ED Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (q) **(No other rights):** An ED Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (r) **(Ceasing to be a Director):** If the Holder ceases to be a Director then any Performance Rights which have not yet vested will automatically lapse unless agreed otherwise by the Board.

SCHEDULE 2 – TERMS OF MD PERFORMANCE RIGHTS

The terms of the MD Performance Rights are set out as follows:

- (a) **(Entitlement):** Each MD Performance Right entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the relevant Vesting Condition (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Consideration):** The MD Performance Rights will be issued for no consideration and no consideration will be payable upon the conversion of the MD Performance Rights into Shares.
- (c) **(Expiry Date):** Any MD Performance Right that has not been converted into a Share prior to the date that is 24 months from the date of issue of the MD Performance Right will automatically lapse (**Expiry Date**).
- (d) **(Vesting Conditions):** Subject to sub-paragraph (c), the MD Performance Rights shall vest on achievement of the following milestones:
 - (i) 15,000,000 MD Performance Rights upon the completion of a 1,500-meter drilling program at the Sulphur Springs Project by 3 January 2019 (**Allocation 1**);
 - (ii) 25,000,000 MD Performance Rights on the first to occur of completion of a BFS or the date that the price of a Share is 3 cents, with Share price to be calculated based on the VWAP of Shares which have traded over a period of 45 consecutive trading days (**Allocation 2**); and
 - (iii) 25,000,000 MD Performance Rights on the first to occur of the date that the Company raises sufficient funds in accordance with the recommendations contained in a BFS to develop the Sulphur Spring Project whether by equity or debt funding or the date that the price of a Share is 3.75 cents, with Share price to be calculated based on the VWAP of Shares which have traded over a period of 45 consecutive trading days (**Allocation 3**),(each an **Initial Vesting Condition**).
- (e) **(Alternative Vesting on entry into a Material Transaction):** In the event a Vesting Termination Event occurs, the MD Performance Rights will vest as follows:
 - (i) all of Allocation 1 will vest if a Material Transaction occurs 2 months after the Commencement Date;
 - (ii) all of Allocation 2 and 3 will vest if a Material Transaction occurs after completion of a BFS and within 12 months of the date of the Vesting Termination Event;
 - (iii) 25% of Allocation 2 and 25% of Allocation 3 will vest if a Material Transaction occurs between 4 June 2018 and 3 October 2018, but before the completion of a BFS;
 - (iv) 50% of Allocation 2 and 50% of Allocation 3 will vest if a Material Transaction occurs between 4 October 2018 and 3 April 2019, but before the completion of a BFS; and
 - (v) 75% of Allocation 2 and 75% of Allocation 3 will vest if a Material Transaction occurs after 3 April 2019 and within 12 months of the date of the Vesting Termination Event,

(each an **Alternate Vesting Condition**, and together with the Initial Vesting Conditions, the **Vesting Conditions**).

- (f) **(Notification to Holder)**: The Company shall give written notice to the Holder promptly following satisfaction of a Vesting Condition or lapse of a MD Performance Right where the Vesting Condition is not satisfied.
- (g) **(Issue of Shares upon Conversion)**: Upon vesting, each MD Performance Right will, at the election of the Holder by giving written notice to the Company within 30 days of vesting and prior to the Expiry Date (**Conversion Notice**), convert into one Share.
- (h) **(Listing of Shares on ASX)**: The Company will not apply for quotation of the MD Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of MD Performance Rights on ASX within the period required by the ASX Listing Rules.
- (i) **(Share ranking)**: All Shares issued upon the vesting of MD Performance Rights will upon issue rank pari passu in all respects with other Shares on issue.
- (j) **(Holding statement)**: The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a MD Performance Right within 10 Business Days following the issue of the Share.
- (k) **(Voluntary Escrow)**: If the MD Performance Rights are converted into Shares within 24 months of their date of issue, the Shares issued upon their conversion will be voluntarily escrowed as follows:
 - (i) 50% of Shares issued upon the conversion of MD Performance Rights during their first year of issue will be escrowed, on and from conversion, for the remainder of that first year; and
 - (ii) 33% of Shares issued upon the conversion of MD Performance Rights during their second year of issue will be escrowed, on and from conversion, for the remainder of that second year.
- (l) **(Not transferable)**: A MD Performance Right is not transferable.
- (m) **(Participation in new issues)**: There are no participating rights or entitlements inherent in the MD Performance Rights and the Holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the MD Performance Rights.
- (n) **(Adjustment for Reorganisation)**: If, at any time, the issued capital of the Company is reorganised (including subdivision, reduction or return), all rights of a Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **(Dividend and Voting Rights)**: A MD Performance Right does not confer on the Holder an entitlement to notice of, or to vote or attend at, a meeting of Shareholders of the Company or receive dividends declared by the Company.
- (p) **(No rights to return of capital)**: A MD Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (q) **(Rights on winding up)**: A MD Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

- (r) **(No other rights):** A MD Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

- (s) **(Ceasing to be a Director):** If the employment of the Holder is terminated For Cause or For Convenience, then any MD Performance Rights which have not yet vested will automatically lapse unless agreed otherwise by the Board. However, if the employment of the Holder is terminated, or the Holder otherwise ceases to be a Director, for any other reason, then a Vesting Termination Event will have occurred, and the Performance Rights will vest in accordance with paragraph (e) above.

**PROXY FORM
VENTUREX RESOURCES LIMITED
ACN 122 180 205
GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 2:00pm (WST), on 15 August 2018 at BDO, 28 Station Street, Subiaco, Western Australia, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Issue of Performance Rights to Mr Anthony Reilly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Performance Rights to Mr Ajanth Saverimutto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of termination benefits to Mr Ajanth Saverimutto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail

in relation to this Proxy Form: YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) return in person to Venturex Resources Limited, Level 2, 91 Havelock Street, West Perth WA 6005; or
 - (b) post to Venturex Resources Limited, c/- PO Box 585, West Perth WA 6872; or
 - (c) facsimile to the Company on facsimile number (+61 8) 9463 7836; or
 - (d) email to admin@venturexresources.com in pdf form,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.