



Sipa Resources Limited

# **SIPA RESOURCES LIMITED**

**ABN 26 009 448 980**

## **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

**Date of Meeting**

Thursday 15 November 2018

**Time of Meeting**

10:00am (AWST)

**Place of Meeting**

The Celtic Club, 48 Ord Street, West Perth WA 6005

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# SIPA RESOURCES LIMITED

## ABN 26 009 448 980

### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Sipa Resources Limited ABN 26 009 448 980 will be held at the Celtic Club, 48 Ord Street, West Perth WA 6005 on Thursday 15 November 2018 at 10:00am (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### AGENDA

#### Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2018, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

#### 1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 30 June 2018 as set out in the 2018 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

#### 2 Resolution 2 – Re-election of Craig McGown as a Director

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

*"That, Craig McGown, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### 3 Resolution 3 – Ratification of issues of Shares to institutional and sophisticated investors

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 104,000,000 Shares (at an issue price of \$0.01 each) on 29 May 2018 to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) any person who participated in the issue the subject of Resolution 3; or
- (b) an Associate of those persons.

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

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

### 4 Resolution 4 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company; or
- (b) an Associate of those persons.

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

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

### 5 Resolution 5 – Appointment of Auditor

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

*“That, in accordance with section 327B of the Corporations Act and for all other purposes, PricewaterhouseCoopers, having been nominated by a Shareholder and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the Directors be authorised to set its remuneration.”*

### 6 Resolution 6 – Employee Share Option Plan

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

*“That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve any issue of securities under the Employee Share Option Plan for employees and Directors known as the “Sipa Resources Limited Employee Share Option Plan”, a summary of the rules of which are set out in Schedule 2 of the Explanatory Memorandum, as an exception to Listing Rule 7.1.”*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:*

- (a) a director of the Company (except one who is ineligible to participate in any employee incentive scheme of the Company); or
- (b) an Associate of those persons.

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

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

*Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:*

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 6.

*Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.*

*If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.*

## **OTHER BUSINESS**

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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Tara Robson**  
Company Secretary  
Dated: 1 October 2018

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

## Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

## Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 6 and 7 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10:00am (AWST time) on Tuesday 13 November 2018. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:  
Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Vic 3001, Australia
  - by faxing a completed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
  - by recording the proxy appointment and voting instructions via the internet at <investorvote.com.au>. Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**).
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10:00am (AWST time) on Tuesday 13 November 2018. If facsimile transmission is used, the Power of Attorney must be certified.

## Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST time) on Tuesday 13 November 2018.

# **SIPA RESOURCES LIMITED**

## **ABN 26 009 448 980**

### **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### **FINANCIAL REPORTS**

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2018, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

#### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2018 Annual Report be adopted. The Remuneration Report is set out in the Company's 2018 Annual Report and is also available on the Company's website ([www.sipa.com.au](http://www.sipa.com.au)).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2017 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on Thursday 16 November 2017. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **RESOLUTION 2 – RE-ELECTION OF CRAIG MCGOWN AS A DIRECTOR**

Pursuant to Clause 13.2 of the Company's Constitution, Craig McGown, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr McGown is an investment banker with over 35 years of experience consulting to companies in Australia and internationally, particularly in the natural resources sector. He holds a Bachelor of Commerce degree, is a Fellow of the Institute of Chartered Accountants and an Affiliate of the Financial Services Institute of Australasia.

Mr McGown is an executive director of the corporate advisory business New Holland Capital Pty Ltd (**New Holland**) and prior to that appointment was the chairman of DJ Carmichael Pty Limited. Mr McGown has also served as the chairman for Pioneer Resources Limited since June 2008 and as a non-executive director of Realm Resources Limited since May 2018.

Mr McGown has been a member of the Nomination and Compensation Committee since his directorship appointment on 11 March 2015.

On 28 August 2018, the Company announced that Mr McGown has advised his intention to step down as non-executive Chairman of the Company due to his growing external workload and other corporate commitments, but will remain on the Board as a non-executive Director. Mr McGown will be succeeded as non-executive Chairman by Mr Kennedy.

The Board (in the absence of Mr McGown) supports the re-election of Mr McGown.

## **RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES TO INSTITUTIONAL AND SOPHISTICATED INVESTORS**

On 24 May 2018, the Company announced a placement of 104,000,000 Shares at \$0.01 per Share to institutional and sophisticated investors. These Shares were issued on 29 May 2018 and raised a total of \$1,040,000 to underpin the Company's exploration campaign at the Paterson North Copper-Gold Project in Western Australia. The placement was made using the Company's capacity to issue Shares up to 10% of the issued capital of the Company under Listing Rule 7.1A.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 10% of the issued capital of the Company without requiring Shareholder approval.

Resolution 3 seeks ratification under Listing Rule 7.4 of the issue of 104,000,000 Shares that were made on 29 May 2018 in order to restore the ability of the Company to issue further Shares within the 10% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 104,000,000 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.01 each;

- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to institutional and sophisticated investors, all of whom are unrelated parties of the Company; and
- (e) funds raised from the issue are being and will be used for the Company's exploration campaign at the Paterson North Copper-Gold Project in Western Australia including:
  - (i) to further diamond drill testing at the Obelisk discovery;
  - (ii) to conduct aircore/RC drilling at the new Andromeda target;
  - (iii) to evaluate the new Asselli, Aranea and Jordanus targets; and
  - (iv) for general working capital,

as further detailed in the ASX announcement dated 24 May 2018 (**ASX Announcement**).

## **RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$13,206,830 as at 28 September 2018 and is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 4 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital.

### **Listing Rule 7.1A**

The effect of Resolution 4 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares and unlisted Options on issue.



Based on the number of Shares on issue at the date of this Notice, the Company will have 1,200,621,023 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 4, 120,062,102 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

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

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
  - (d) less the number of fully paid Shares cancelled in the 12 months.
- Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.
- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0055 Issue Price at half the current market price	\$0.011 Issue Price at current market price	\$0.022 Issue Price at double the current market price
<b>Current Variable 'A'</b> 1,200,621,023 Shares	<b>Shares issued</b>	120,062,102	120,062,102	120,062,102
	<b>Funds raised</b>	\$660,341.56	\$1,320,683.12	\$2,641,366.24
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 1,800,931,535 Shares	<b>Shares issued</b>	180,093,153	180,093,153	180,093,153
	<b>Funds raised</b>	\$990,512.34	\$1,981,024.68	\$3,962,049.37
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 2,401,242,046 Shares	<b>Shares issued</b>	240,123,204	240,123,204	240,123,204
	<b>Funds raised</b>	\$1,320,677.62	\$2,641,355.24	\$5,282,710.49
	<b>Dilution</b>	10%	10%	10%

**Note** — This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.

- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4, and the issue of Shares the subject of Resolution 3 is ratified.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

### **Specific information required by Listing Rule 7.3A**

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued:
    - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or
    - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
- (c) The table above on pages 4–5 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;

- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 28 September 2018, being \$0.011, (current market price), where the issue price is halved, and where it is doubled; and
  - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period **(Additional Placement Period)** from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
  - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) If Equity Securities are issued for cash consideration, the Company intends to use the funds for exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital ; and
  - (ii) If Equity Securities are issued for non-cash consideration, the Company intends to use the funds for the acquisition of new assets (should suitable assets be found) or exploration activities . If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 16 November 2017. In the 12 months preceding the date of the Meeting, the Company has issued 104,000,000 Equity Securities which represents 9.48% of the total number of Equity Securities on issue at the commencement of that 12 month period. The following information is provided in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting:
- (i) 104,000,000 Equity Securities were issued;
  - (ii) the Equity Securities issued were Shares which rank equally in all respects with the existing fully paid ordinary Shares on issue;
  - (iii) the Equity Securities were issued to institutional and sophisticated investors, all of whom are unrelated parties to the Company;
  - (iv) the Equity Securities were issued at an issue price of A\$0.01 each. The issue price was a 9.1% discount to the market price at the time of issue;
  - (v) of the \$1,040,000 raised, the Company has spent approximately \$1,040,000 on expenses related to its exploration campaign at the Paterson North Copper-Gold Project in Western Australia and for general working capital. (see the ASX Announcement for more details).
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

## **RESOLUTION 5 – APPOINTMENT OF AUDITOR**

On 18 January 2018, the Company announced that ASIC had granted its consent to the resignation of the Company's auditor, Ernst & Young, and to the appointment of PricewaterhouseCoopers (PwC) (which had been appointed by the Board in accordance with section 327C(1) of the Corporations Act) as the new auditor of the Company.

For public companies, the appointment of a new audit entity requires a resolution of shareholders at the Annual General Meeting. Where an auditor has been appointed by the directors of the company under section 327C(1) of the Corporations Act, section 327C(2) of the Corporations Act states that any auditor so appointed holds office until the company's next Annual General Meeting at which time shareholders must approve that appointment.

The Board has considered and agreed to this change in auditor and to this Resolution 5 being presented to the Shareholders of the Company for formal vote. As noted above, and as required to give effect to the change, ASIC has granted its consent to the resignation of Ernst & Young in favour of PwC.

In accordance with Section 328B of the Corporations Act, notice in writing nominating PwC has been given to the Company by a Shareholder. A copy of this nomination is included in this Notice of Meeting at Schedule 1 to the Explanatory Statement.

Resolution 5 seeks ratification under Section 327C(2) of the Corporations Act of the appointment of PwC as auditor of the Company. Subject to approval by Shareholders, the appointment of PwC will be effective for the 2018 financial year.

The Directors recommend that the Shareholders vote in favour of this resolution.

## RESOLUTION 6 – EMPLOYEE SHARE OPTION PLAN

The Directors considered that it was desirable to establish an option plan under which employees may be offered the opportunity to subscribe for Options to acquire Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly sought (and obtained) shareholder approval for the Sipa Resources Limited Employee Share Option Plan (**Plan**) on 19 November 2015.

The Plan is designed to provide incentives to the employees of the Company and to link the reward of these employees to performance and creation of shareholder value. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration

Shareholder approval is required if any issue of Employee Options pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

No Employee Options have been issued pursuant to the Plan since December 2016, nor are any currently proposed. Furthermore, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to Eligible Persons the opportunity to subscribe for such number of Employee Options in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is contained in Schedule 2 of this Explanatory Memorandum. Employee Options granted under the Plan will be offered to Participants in the Plan on the basis of the Board's view of the contribution of the Eligible Person to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the Plan is set out in Schedule 2;
- (b) a total of 27,159,000 Employee Options have been issued pursuant to the Plan since it was first adopted; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 6.

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out on page 3.

**Additional Placement Period** has the meaning set out on page 6.

**Annual Report** means the annual report of the Company for the year ended 30 June 2018.

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

**Associate** has the meaning given to it in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Announcement** has the meaning given to it on page 3.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2018.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair** means the individual appointed under clause 15.8 of the Constitution to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Sipa Resources Limited ABN 26 009 448 980.

**Constitution** means the Company's constitution, as amended from time to time.

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

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

**Eligible Employee** has the meaning given in the Plan.

**Employee Option** means an Option issued under the Plan.

**Equity Securities** has the same meaning given to it in the Listing Rules.

**Expiry Date** has the meaning given to it on page 13.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Group Company** has the meaning given to it on page 11.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

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

**Meeting** means the Annual General Meeting convened by the Notice.

**Nominated Party** has the meaning given to it on page 11.

**Notice** means this Notice of Annual General Meeting.

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

**Participant** has the meaning given to it on page 11.

**Plan** has the meaning given to it on page 8.

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

**PwC** means PricewaterhouseCoopers.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2018.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**Vesting Condition** the meaning set out on page 11.

## SCHEDULE 1 — NOMINATION OF AUDITOR

The Company Secretary  
Sipa Resources Ltd  
Unit 8, 12-20 Railway Road  
Subiaco, WA 6008

Attention: Tara Robson

15 September 2018

Dear Secretary

Nomination of auditor for Sipa Resources Ltd, ABN: 26 009 448 980

In accordance with the provisions of section 328B of the Corporations Act 2001, I Adele Chai, being a member of Sipa Resources Ltd, hereby nominate PricewaterhouseCoopers (PwC) for appointment as auditor of that company.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adele Chai', with a horizontal line underneath.

Adele Chai

## SCHEDULE 2 — SUMMARY OF TERMS OF PLAN

The Company has established the Sipa Resources Ltd Employee Share Option Plan. The full terms of the Sipa Resources Ltd Employee Share Option Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Sipa Resources Ltd Employee Share Option Plan (**Plan**) is set out below.

### 1 Employee Options

Under the Plan, the Board, acting in its absolute discretion, may:

- (a) offer Options to any Eligible Employee from time to time as determined by the Board; and
- (b) impose Vesting Conditions on the right of the Participant to exercise any Option granted (**Employee Options**).

Awards may have grant conditions. Subject to those grant conditions being satisfied, all Employee Options may be granted subject to the satisfaction of vesting conditions as determined by the Board in its absolute discretion (**Vesting Conditions**).

### 2 Eligibility

At the discretion of the Board, a person who is:

- (a) a full time or part time employee (including an executive Director) of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (**Group Company**);
- (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or
- (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company, where the work is or might reasonably be expected to be the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company,

may have an offer made to them to participate in the Plan.

People eligible to participate in the Plan are called “**Eligible Employees**”. The Board may permit Employee Options the subject of an offer to be issued to another party nominated by an Eligible Employee (for example, the Eligible Employee’s (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (**Nominated Party**).

A “**Participant**” is an Eligible Employee or Nominated Party to whom Employee Options have been granted.

### 3 Payment for Employee Options

Employee Options can be issued at a price (if any) determined by the Board in their absolute discretion.



#### **4 Limits on number of Employee Options granted**

Under the Plan rules, where an offer is made under the Plan in reliance on ASIC Class Order 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares which would be issued if those Employee Options were exercised, will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

This limit is in accordance with the current ASIC Class Order which provides disclosure, licensing, advertising and hawking relief for employee incentive schemes, and which the Company may seek to rely on in connection with making offers under the Plan.

#### **5 Entitlements of Participants**

##### **(a) Interest in Shares**

A Participant has no right or interest in a Share the subject of an Employee Option held by the Participant unless and until the Employee Option is exercised and the Share is issued. A Participant does not have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Employee Option. Subject to the Corporations Act and the Company's constitution, a Participant will not, as a holder of an Employee Option, have any right to attend to vote at general meetings of holders of Shares.

##### **(b) Changes in capital**

If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Employee Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Employee Option is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Employee Option before the record date for the bonus issue. No adjustment will be made to the exercise price.

Employee Options do not confer on the Participant the right to participate in new issues of Shares by the Company unless they exercise their Employee Options and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of shares.

If there is a reorganisation of the issued capital, the rights of a Participant (including the number of Employee Options to which each Participant is entitled and the exercise price) will be changed to the extent necessary to comply with the Listing Rules.

If the Company makes a pro rata issue (except a bonus issue) the exercise price of Employee Options will be reduced in accordance with the Listing Rules.

If a resolution for a voluntary winding up is proposed (other than for the purpose of a reconstruction or amalgamation), the Board may give notice to Participants providing a period to exercise Employee Options, subject to the relevant Vesting Conditions.

## **6 Dealing, vesting and exercise**

### **(a) Dealing**

Employee Options issued under the Plan may not be assigned, transferred, novated, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

- (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, novation, encumbrance or disposal as the Board sees fit in its sole and absolute discretion; or
- (ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

Unless otherwise decided by the Board, where a Participant purports to transfer an Employee Option other than in accordance with above, the Employee Option immediately lapses.

### **(b) Vesting**

Employee Options only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Employee Options by the Company.

### **(c) Exercise**

Employee Options can only be exercised if:

- (i) any Vesting Conditions have been satisfied or waived; and
- (ii) it is otherwise capable of exercise in accordance with the terms of the relevant offer and the rules of the Plan.

The exercise price per Share in respect of an Employee Option granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Employee Option.

Employee Options will expire on such date as the Board determines in its discretion with respect to that Employee Option at the time of the grant of that Employee Option (**Expiry Date**).

## **7 Lapse of Employee Options**

Unless otherwise specified in the Vesting Conditions or determined otherwise by the Board an Employee Option lapses on the earlier of:

- (a) the Board determining that any Vesting Condition applicable to the Employee Option has, or is not capable of, being satisfied, reached or met;
- (b) the day immediately following the Expiry Date;
- (c) there is a cessation of employment (other than under a special circumstance);
- (d) there is a change of control event; or
- (e) the board determining that a Participant's Employee Options have lapsed due to that Participant's misconduct which may include breaching their duties to the Company or an associated body corporate of the Company, committing an act of fraud or engaging in misconduct.

## **8 Change of control events**

On the occurrence of a Change of Control Event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion and subject to the Listing Rules, determine how unvested Employee Options will be treated, including but not limited to:

- (a) determining that all or a portion of unvested Employee Options will vest; and/or
- (b) reducing or waiving Vesting Conditions.

## **9 Clawback**

If an event occurs which means vesting conditions were not or should not have been determined to have been satisfied, the Participant will cease to be entitled to those Employee Options, and the Board may:

- (a) cancel the affected Employee Options for no consideration;
- (b) require the Participant pay the Company the after tax value of the affected Employee Options which have been converted in shares within 30 business days of receipt of notice; or
- (c) adjust fixed remuneration, incentives or participation in the Plan to take account of the after tax value of the affected Employee Options.

## **10 Amendments to terms of exercise or the Plan**

The Board may vary the terms of exercise of Employee Options, and may reduce or waive Vesting Conditions. However, no variation to the terms of exercise of an Employee Option will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law or Plan, to correct manifest error or to enable regulatory compliance.

The Board may amend the terms of the Plan, provided that rights or entitlements granted before the amendment shall not be reduced or adversely affected without the prior written approval of the affected Participant.





# Sipa Resources Limited

ABN - 26 009 448 980

## Lodge your vote:



### Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 279 701  
(outside Australia) +61 3 9938 4330

SRI

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10:00am (AWST) Tuesday, 13 November 2018**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sipa Resources Limited hereby appoint

☐ the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sipa Resources Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 15 November 2018 at 10:00am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 6 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Craig McGown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of issues of Shares to institutional and sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

/  /

Date



SR I

999999A