



**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held on  
Wednesday 21st November 2018 at 10am (WST) at  
Ground Floor, 10 Outram Street, West Perth WA 6005, Australia**

***As this is an important document, please read it carefully.***

**For those members who have elected to receive a printed copy of the Annual Report, the  
2018 Annual Report accompanies this Notice of Annual General Meeting.**

**The 2018 Annual Report is also available on the Company's website at  
[www.pensanametals.com](http://www.pensanametals.com)**

***If you are unable to attend the Annual General Meeting, please complete  
the proxy form enclosed and return it in accordance with the  
instructions set out on that form.***

## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

### **Venue**

The Annual General Meeting of the Shareholders of Pensana Metals Limited ("Pensana" or the "Company") will be held at:

**The Registered Office of Pensana Metals Limited  
Ground Floor, 10 Outram Street, West Perth WA 6005, AUSTRALIA  
Commencing at 10am (WST) on Wednesday 21st November 2018**

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or corporate representative.

### **Voting in Person**

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

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- e-mail the proxy to [info@pensanametals.com](mailto:info@pensanametals.com); or
- deliver the proxy in person to the Company at Ground Floor, 10 Outram Street, West Perth, WA 6005; or
- mail the proxy to the Company at PO Box 1671, West Perth WA 6872; so it is received not later than 10am (WST) on 19<sup>th</sup> November 2018.

**Your proxy form is enclosed.**

### **Corporate Representative**

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

## NOTES:

1. A Shareholder who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, 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 to vote as the proxy decides or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of the Corporations Act, the Directors have set a snapshot time and date to determine the identity of those entitled to attend and vote at the Annual General Meeting. The snapshot time and date is 10am (WST) on Monday 19<sup>th</sup> November 2018.

## Questions from Shareholders

At the Annual General Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Darryn Hall of Ernst & Young, as the auditor responsible for preparing the auditor's report for the period ended 30 June 2018 (or his representative) will attend the Annual General Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have in writing no later than **10am (WST) on Friday 9<sup>th</sup> November 2018**:

In person: Registered Office – Ground Floor, 10 Outram Street, West Perth WA 6005, Australia

By mail: PO Box 1671, West Perth WA 6872, Australia

By e-mail: [info@pensanametals.com](mailto:info@pensanametals.com)

The Company will distribute a list setting out the questions directed to the auditor received in writing by 9<sup>th</sup> November 2018 being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the period ended 30 June 2018. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

**PENSANA METALS LIMITED**

**ABN 86 121 985 395**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders of Pensana Metals Limited ("Pensana" or the "Company") will be held at the Registered Office of the Company, Ground Floor, 10 Outram Street, West Perth, WA 6005, at 10am (WST) on Wednesday 21st November 2018.

**AGENDA**

**BUSINESS**

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as ordinary business and special business. Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in the Glossary contained in the Explanatory Statement.

**ORDINARY BUSINESS**

**Annual Accounts**

To receive and consider the consolidated financial report of the Company for the period ended 30 June 2018 and the reports by the Directors and Independent Auditor.

**Resolution 1: Remuneration Report**

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

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report."*

- Although the vote on this Resolution is advisory only, this Resolution shall be determined as if it were an ordinary resolution.
- If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution ("spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

**Voting exclusion**

The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described above and either:

- (a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution 2: Election of Mr Paul Atherley as a Director**

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

*"That, for all purposes, Mr Paul Atherley being a Director appointed as an addition to the Board and who retires in accordance with Listing Rule 14.4 and article 6.21 of the Constitution and who, being eligible, offers himself for election as a Director, be elected as a Director with effect from the close of this Meeting."*

**Resolution 3: Election of Mr Neil Maclachlan as a Director**

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

*"That, for all purposes, Mr Neil Maclachlan being a Director appointed as an addition to the Board and who retires in accordance with Listing Rule 14.4 and article 6.21 of the Constitution and who, being eligible, offers himself for election as a Director, be elected as a Director with effect from the close of this Meeting."*

**Resolution 4: Election of Mr David Hammond as a Director**

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

*"That, for all purposes, Mr David Hammond being a Director appointed as an addition to the Board and who retires in accordance with Listing Rule 14.4 and article 6.21 of the Constitution and who, being eligible, offers himself for election as a Director, be elected as a Director with effect from the close of this Meeting."*

**Resolution 5: Re-election of Mr Mark Hohnen as a Director**

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

*"That, for all purposes, Mr Mark Hohnen being a Director who retires by rotation in accordance with Listing Rule 14.4 and article 6.14 of the Constitution and who, being eligible, offers himself for re-election as a Director, be re-elected as a Director with effect from the close of this Meeting."*

**Resolution 6: Approval of Additional Placement Capacity**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in*

*Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company seeks approval to issue an additional 10% of the Company's issued ordinary securities during a 12 month period in accordance with Listing Rule 7.1A.

**Voting exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote cast on this Resolution if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Important note:** The proposed allottees of any Equity Securities under the Additional Placement Capacity are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional Placement Capacity), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

**DATED THIS 10<sup>th</sup> DAY OF OCTOBER 2018**

**BY ORDER OF THE BOARD**

**Mr Scott Mison**

Company Secretary

## **EXPLANATORY STATEMENT**

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

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

This Explanatory Statement has been prepared for the Shareholders of Pensana in connection with the Annual General Meeting of the Company to be held on Wednesday 21<sup>st</sup> November 2018.

### **1. ANNUAL ACCOUNTS**

The Corporations Act requires that the Annual Report (which includes the financial report, Directors' report and auditor's report) be laid before the Annual General Meeting.

Shareholders will be given an opportunity to ask questions and make comments about the Annual Report generally but there will be no formal resolution submitted in respect of the Annual Report.

### **2. RESOLUTION 1 – REMUNERATION REPORT**

In accordance with the Corporations Act, a resolution to adopt the Remuneration Report must be put to Shareholders. The Remuneration Report which details the Company's policy on the remuneration of non-executive Directors, executive Directors, the Company Secretary and senior executives is set out in the Company's 2018 Annual Report. It is also available on the Pensana website at [www.pensanametals.com](http://www.pensanametals.com)

Voting on this Resolution is advisory only. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Company's remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

Any undirected proxies (ie. open proxies) held by the Chairman, other than those of Directors or other Key Management Personnel or any of their Closely Related Parties, will not be voted on Resolution 1, unless the proxy expressly authorises the Chairman to exercise undirected proxies even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

The Chairman will use any undirected proxies to vote in favour of the Resolution. Therefore, the Company encourages you to carefully read the proxy form and direct your proxy on how to vote on Resolution 1.

### **3 RESOLUTION 2 – ELECTION OF A DIRECTOR PAUL ATHERLEY**

#### **3.1 Background**

Resolution 2 seeks approval for the election of Mr Paul Atherley as a Director. Mr Atherley was appointed as a Director on 13 May 2018 pursuant to *article 6.6* of the Constitution. In accordance with Listing Rule 14.4 and *article 6.21* of the Constitution, Mr Atherley must stand for election at the Annual General Meeting. As such, at the Annual General Meeting Mr Atherley retires from his position as a Director and, being eligible, offers himself for election to that position.

Mr Atherley is a highly experienced senior resources executive with wide ranging international and capital markets experience. He graduated as mining engineer from Imperial College London and held a number of mine management, senior executive and board positions during his career.

He served as Executive Director of the investment banking arm of HSBC Australia where he undertook a range of advisory roles in the resources sector. He has completed a number of acquisitions and financings of resource projects in Europe, China, Australia and Asia.

Mr Atherley was based in Beijing from 2005 to 2015 and developed strong connections within Chinese business, industry bodies and senior government officials, including the most senior levels of the state owned energy companies.

He was the Chairman of the British Chamber of Commerce in China, Vice Chairman of the China Britain Business Council in London and served on the European Union Energy Working Group in Beijing.

He has been a regular business commentator on China and the resources sector, hosting events in Beijing and appearing on CCTV News and China Radio International as well as BBC, CNBC and other major news channels.

Mr Atherley is a strong supporter of Women in STEM and has established a scholarship which provides funding for young women to further their education in science and engineering.

#### **3.2 Directors' Recommendation**

All the Directors (other than Mr Atherley) recommend Shareholders vote in favour of Resolution 2.

### **4 RESOLUTION 3 – ELECTION OF A DIRECTOR NEIL MACLACHLAN**

#### **4.1 Background**

Resolution 3 seeks approval for the election of Mr Neil Maclachlan as a Director. Mr Maclachlan was appointed as a Director on 17 January 2018 pursuant to *article 6.6* of the Constitution. In accordance with Listing Rule 14.4 and *article 6.21* of the Constitution, Mr Maclachlan must stand for election at the Annual General Meeting. As such, at the Annual General Meeting Mr Maclachlan retires from his position as a Director and, being eligible, offers himself for election to that position.

Mr. Maclachlan, has over 35 years' investment banking experience in Europe, South East Asia and Australia and has extensive experience in public company directorships. He currently serves as chairman and a major shareholder in Markham Associates, a private UK partnership, which undertakes financial consultancy and direct investment activities in the junior mining sector in Europe, Australia and South East Asia.



Mr. Maclachlan was a director of Extract Resources Ltd and Kalahari Minerals Plc. Both Extract Resources and Kalahari Minerals were the subject of successful takeovers for \$2.1billion and £651million respectively.

Mr Maclachlan has considerable public company experience in the mining sector having been on the boards of several companies listed on the ASX, AIM and TSX.

#### **4.2 Directors' Recommendation**

All the Directors (other than Mr Maclachlan) recommend Shareholders vote in favour of Resolution 3.

### **5 RESOLUTION 4 – ELECTION OF A DIRECTOR DAVID HAMMOND**

#### **5.1 Background**

Resolution 4 seeks approval for the election of Mr David Hammond as a Director. Mr Hammond was appointed as a Director on 13 May 2018 pursuant to *article 6.6* of the Constitution. In accordance with Listing Rule 14.4 and *article 6.21* of the Constitution, Mr Hammond must stand for election at the Annual General Meeting. As such, at the Annual General Meeting Mr Hammond retires from his position as a Director and, being eligible, offers himself for election to that position.

Mr Hammond has over 28 years' technical, resource definition and project development experience in Africa, Australia and South America. He was most recently the Technical Director with Peak Resources Ltd for almost seven years where he led all exploration, resource definition and technical study teams, from the second drill hole of the deposit through resource, reserve, scoping study, prefeasibility and bankable feasibility.

Mr Hammond holds a Master of Science (M.Sc.) and a Diploma of Imperial College (DIC) from the Royal School of Mines Imperial College London. He is a member of AUSIMM and a competent person for JORC reporting.

#### **5.2 Directors' Recommendation**

All the Directors (other than Mr Hammond) recommend Shareholders vote in favour of Resolution 4.

### **6 RESOLUTION 5 – RE-ELECTION OF A DIRECTOR MARK HOHNEN**

#### **6.1 Background**

Resolution 5 seeks approval for the re-election of Mr Mark Hohnen as a Director. In accordance with Listing Rule 14.4 and *article 6.14* of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr Hohnen retires by rotation at the Meeting and, being eligible, offers himself for re-election.

Mr Hohnen has experience in the Japanese, Chinese and Korean markets, all of which play a significant role in the production of lithium ion batteries and the development of electric vehicle technology. Mr Hohnen has been involved in the mineral resource sector since the late 1970s. He has had extensive international business experience in a wide range of industries including mining and exploration, property, investment, software and agriculture.

He has held a number of directorships in both public and private companies and was founding Chairman of Cape Mentelle and Cloudy Bay wines, as well as being on the board of oil and coal

company Anglo Pacific Resources Plc. Mr Hohnen was also a director of Kalahari Minerals and Extract Resources, having successfully negotiated the sale of both companies to Taurus (CGN). He is also chairman of ASX listed, Boss Resources Limited.

## **6.2 Directors' Recommendation**

All the Directors (other than Mr Hohnen) recommend Shareholders vote in favour of Resolution 5.

## **7. RESOLUTION 6 – ADDITIONAL PLACEMENT CAPACITY**

### **7.1 General**

Listing Rule 7.1 permits an entity to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

The Listing Rules also allow certain small to mid-cap companies to seek shareholder approval for additional placement capacity. Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**"). The Additional Placement Capacity, if approved by Shareholders, is in addition to the Company's existing 15% placement capacity under Listing Rule 7.1.

The Company seeks Shareholder approval under Resolution 6 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

The Company is seeking approval to issue securities under the Additional Placement Capacity as it provides additional flexibility and capacity to the fund raising alternatives that would otherwise normally be available to the Company.

### **Requirements of Listing Rule 7.1A**

#### **Eligible entities**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company's market capitalisation, using the share price as at 15 October 2018, is \$16.22m. The Company is an eligible entity.

#### **Shareholder approval**

Shareholders must approve the Additional Placement Capacity by special resolution at the Annual General Meeting which requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (being present at the Meeting either in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

#### **Equity Securities**

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of the Notice, the Company has one class of Equity Securities quoted on ASX, being Shares.

### **Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity**

If Resolution 6 is passed, the Company may issue or agree to issue, during the 12 month period after the Meeting, the number of Equity Securities calculated in accordance with the following formula:

(AxD)-E

A	The number of fully paid shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none"><li>• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;</li><li>• plus the number of partly paid shares that became fully paid in the 12 months;</li><li>• plus the number of fully paid shares issued in the 12 months with the approval of Shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without Shareholder approval;</li><li>• less the number of fully paid shares cancelled in the 12 months.</li></ul>
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

### **Interaction between Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 1,158,569,710 Shares on issue as at the date of the Notice. For the purposes of the calculations in Listing Rules 7.1 and 7.1A the Company has calculated input "A" in those Listing Rules as 1,158,569,710 Shares. If all of the Resolutions in the Notice are passed, the Company will be permitted to issue (as at the date of the Notice):

- 173,785,456 Equity Securities under Listing Rule 7.1, being 15% of 1,158,569,710 Shares; and
- 115,856,971 Equity Securities under Listing Rule 7.1A, being 10% of 1,158,569,710 Shares.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 6 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

### **Information for Shareholders as required by Listing Rule 7.3A**

#### **Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the VWAMP for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or

- if the Equity Securities are not issued within 5 Business Days of the date above, the date on which the Equity Securities are issued.

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

If Resolution 6 is passed and the Company issues securities under the Additional Placement Capacity, existing Shareholders' voting power in the Company will be diluted as shown in the table below.

There is the risk that:

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

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

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

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future; and
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.007 50% decrease in Issue Price	\$0.014 Current Market Price	\$0.028 100% increase in Issue Price
<b>Current Variable A</b>  1,158,569,710 Shares	<b>10% Voting Dilution</b>	115,856,971 Shares	115,856,971 Shares	115,856,971 Shares
	<b>Funds raised</b>	\$810,999	\$1,621,998	\$3,243,995
<b>50% increase in Variable A</b> 1,737,854,565 Shares	<b>10% Voting Dilution</b>	173,785,457 Shares	173,785,457 Shares	173,785,457 Shares
	<b>Funds raised</b>	\$1,216,498	\$2,432,996	\$4,865,993
<b>100% increase in Variable A</b> 2,317,139,420 Shares	<b>10% Voting Dilution</b>	231,713,942 Shares	231,713,942 Shares	231,713,942 Shares
	<b>Funds raised</b>	\$1,621,998	\$3,243,995	\$6,487,990

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options (including any Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- 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.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- The issue price is \$0.014, being the latest closing price of the Shares on ASX on 15 October 2018.
- The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

### **Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 21 November 2018 (the date of the Meeting) and expires on the earlier of:

- 21 November 2019, which is 12 months after the Meeting; or
- the date Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The approval will cease to be valid in the event that Shareholders approve a transaction under Listing Rules 11.1.2 or 11.2.

The Company will only issue and allot new Equity Securities during the Placement Period.

### **Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

### **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (as relevant).

As at the date of the Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A.4 and 3.10.5A on the issue of any new securities.

**Details of Equity Securities issued under earlier placement capacity**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 20 November 2017 ("**Previous Approval**"). The Company issued 69,889 349 securities pursuant to the Previous Approval.

In accordance with Listing Rule 7.3A.6, the following table provides details regarding the total number of Equity Securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of Equity Securities on issue at the commencement of the 12 month period.

Equity securities issued in prior 12 month period	576,532,777
Percentage previous issues represent of total number of Equity Securities on issue at commencement of 12 month period	66.1%

Specific details for this issue are as follows:

Issue Date	Number	Type	Name of persons who received securities or basis on which those	Issue Price	Discount to market price at issue price	Funds Raised	Use of Funds
3 January 2018	3,000,000	Fully paid Ordinary Shares	Directors of the Company as approved on 30 Nov 2016	N/A	N/A	Conversion of performance rights.	N/A Current value: \$42,000
3 January 2018	50,124,998	Fully paid Ordinary Shares	Sophisticated investors	\$0.03	Nil	\$1,503,750 There are no funds remaining.	The funds were used for further exploration work at the Company's Ozango Project in Angola.
6 July 2018	126,549,808	Fully paid Ordinary Shares	Sophisticated investors	\$0.015	16.7%	\$1,898,247  There is \$511,065 remaining from this raising.	The funds were used for exploration drilling at the Longonjo NdPr Project, personnel and support costs for the Longonjo programs, cost of the issue and general working capital.
9 August 2018	1,000,000	Fully paid Ordinary Shares	Employees of the company	N/A	N/A	Conversion of performance rights.	N/A Current value: \$14,000



25 Sept 2018	240,116,858	Fully paid Ordinary Shares	Sophisticated investors	\$0.015	16.7%	\$3,601,753  There is \$3,601,753 remaining from this raising.	The funds were used for exploration drilling at the Longonjo NdPr Project, personnel and support costs for the Longonjo programs and general working capital.
25 Sept 2018	115,741,113	<p>Performance Rights</p> <p>38,580,371 performance rights which will vest respectively, upon:</p> <p>Tranche 1: Completion of a capital raising of at least an aggregate amount of A\$5.5m, via the issue of new Shares by no later than 13 November 2018.</p> <p>Tranche 2: Delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.</p> <p>Tranche 3: Delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.</p>	Paul Atherley	N/A	N/A	N/A	Non-cash consideration was nil. Current value \$1,620,376.

25 Sept 2018	30,000,000	<p><b>Performance Rights</b></p> <p>10,000,000 performance rights which will vest respectively, upon:</p> <p>Tranche 1: Delivery of an Inferred Mineral Resource of at least 46.4Mt, being at least four (4) times the current Mineral Resource for the Project, as announced on 26 September 2017.</p> <p>Tranche 2: Delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.</p> <p>Tranche 3: Delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.</p>	Dave Hammond	N/A	N/A	N/A	Non-cash consideration was nil. Current value \$420,000.
25 Sept 2018	5,000,000	<p><b>Unlisted Options</b></p> <p>exercisable at \$0.04</p> <p>expiring 25 Sept 2019</p>	Ashanti Capital Pty Ltd (or nominee)	N/A	N/A	N/A	Non-cash consideration was nil. Current value \$50,000
25 Sept 2018	5,000,000	<p><b>Unlisted Options</b></p> <p>exercisable at \$0.06 expiring</p> <p>25 Sept 2019</p>	Ashanti Capital Pty Ltd (or nominee)	N/A	N/A	N/A	Non-cash consideration was nil. Current value \$50,000

### Voting exclusion

A voting exclusion is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### 7.2 Directors' Recommendation

All the Directors recommend Shareholders vote in favour of Resolution 6.

## **8. ENQUIRIES**

Shareholders are invited to contact the Company Secretary, Scott Mison on (08) 9221 0090 or [scott@pensanametals.com](mailto:scott@pensanametals.com) if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

**"Additional Placement Capacity"** means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

**"AGM"** or **"Annual General Meeting"** or **"Meeting"** is the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice.

**"Annual Report"** means the Company's annual report including the reports of the Directors and the auditor and the financial statements of the Company for the period ended 30 June 2018, which can be downloaded from the Company's website at [www.Pensanaresources.com.au](http://www.Pensanaresources.com.au)

**"ASX"** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange as the context requires.

**"Board"** means the board of Directors.

**"Business Day"** means any ASX Business Day that is not a Saturday, Sunday or public holiday in Western Australia.

**"Chairman"** means the person appointed to chair the Annual General 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 of 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 dealings with the Company;
- (e) a company that the member controls; or
- (f) a person prescribed to be a closely related party by the *Corporations Regulations 2101* (Cth).

**"Company"** or **"Pensana"** means Pensana Metals Limited ABN 86 121 985 395.

**"Constitution"** means the Company's Constitution.

**"Corporations Act"** means the *Corporations Act 2101* (Cth).

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

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

**"Explanatory Statement"** means the explanatory statement to the Notice.

**"Key Management Personnel"** has the same meaning as in the Australian Accounting Standards and therefore includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company.

**"Listing Rules"** means the Listing Rules of ASX.

**"Notice"**, **"Notice of Meeting"** or **"Notice of Annual General Meeting"** means the Notice of Annual General Meeting which accompanies this Explanatory Statement.

**"Placement Period"** means the period during which Shareholder approval under Listing Rule 7.1A is valid.

**“Previous Approval”** is defined in section 7.1 of the Explanatory Statement.

**“Remuneration Report”** means the remuneration report appearing in the Annual Report.

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

**“Shareholder”** means the holder of Shares.

**"Share"** means a fully paid ordinary share in the Company.

**“VWAMP”** means volume weighted average market price.

**"WST"** means Australian Western Standard Time.

**PENSANA METALS LIMITED**

ABN 86 121 985 395

**Certificate of Appointment of Corporate Representative**

This is to certify that by a resolution of the Directors of:

.....

**(Company),**

*(Insert name of company)*

the Company has appointed:

.....

*Insert name of corporate representative*

in accordance with the provisions of section 250D of the Corporations Act 2101 (Cth), to act as the body corporate representative of that company at the Meeting of the Shareholders of Pensana Metals Limited to be held on 21 November 2018 and at any adjournments of that Meeting.

**DATED**

**2018**

**Executed** by the Company )

in accordance with its constituent documents )

.....

Signed by authorised representative

.....

Signed by authorised representative

.....

Name of authorised representative (print)

.....

Name of authorised representative (print)

.....

Position of authorised representative (print)

.....

Position of authorised representative (print)

### INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately. Please follow the following instructions to complete the Certificate of Appointment:

1. Insert the name of appointer company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each company officer who signs this Certificate on behalf of the appointer company.
4. Insert the date of execution where indicated.
5. Send the Certificate by;
  - e-mail to the Company at [info@pensanmetals.com](mailto:info@pensanmetals.com); or
  - deliver the proxy to the Company at Ground Floor, 10 Outram Street, West Perth WA, 6005, Australia; or
  - mail the proxy to the Company at PO Box 1671, West Perth WA 6872, Australia;
6. or the Corporate Representative may present the original Certificate when registering attendance at the start of the Meeting.

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00:am (WST) on Monday 19 November 2018.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (WST) on Monday, 19 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the methods below:

💻 **By Email** [info@pensanametals.com](mailto:info@pensanametals.com)

✉ **By Mail** PO BOX 1671  
West Perth WA 6872

👤 **In Person** Ground Floor  
10 Outram Street  
West Perth WA 6005

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



# Pensena Metals Ltd

ABN 86 121 985 395

☐

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Pensena Metals Ltd** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Ground Floor, 10 Outram Street, West Perth WA 6005 on Wednesday, 21 November 2018 at 10:00am (WST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Paul Atherley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Neil Maclachlan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr David Hammond as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To re-elect Mr Mark Hohnen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018