



**Riedel Resources Limited**  
**ACN 143 042 022**

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

**Annual General Meeting to be held at Level 3, 88 William Street, Perth WA 6000 on  
23 November 2018 commencing at 10:00 am (AWST).**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or  
other professional adviser without delay.

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Riedel Resources Limited ACN 143 042 022 ("**Company**") will be held at Level 3, 88 William Street, Western Australia on 23 November 2018 commencing at 10:00 am (AWST).

### BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

### AGENDA

#### Annual Report

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To receive and consider the annual financial report, together with the Directors' and auditor's reports for the year ending 30 June 2018.

#### Resolution 1 – Adoption of Remuneration Report

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ending 30 June 2018 be approved."*

**Short Explanation:** The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report;
- (b) a closely related party of such a member.

However any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If you appoint the Chairman of the Meeting as your proxy, the Company encourages you to direct the Chairman how to vote on this advisory Resolution. The Chairman, as one of the Key Management Personnel of the Company, is not permitted to cast any votes in respect of this advisory Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chairman to do so.

#### Resolution 2 – Re-election of Director – Mr Alexander Sutherland

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

*"That, for all purposes, Mr Alexander Sutherland, who retires by rotation in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4, and, being eligible, offers himself for re-election, is re-elected as a Director."*

### Resolution 3 – Issue of Options to Alexander Sutherland

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

*“That, for the purposes of Section 208 of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Options to Mr Alexander Sutherland (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Alexander Sutherland or any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed) and any associates of those persons.

However the Company need not disregard a vote if:

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

### Resolution 4 – Issue of Options to Mr Scott Cuomo

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

*“That, for the purposes of Section 208 of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Options to Mr Scott Cuomo (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Scott Cuomo or any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed) and any associates of those persons.

However the Company need not disregard a vote if:

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

### Resolution 5 – Approval of 10% Placement Facility

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

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

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person (and any associates of such a person) who may participate in the 10% Placement Facility or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

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

By Order of the Board of Directors

**Henko Vos**

Joint Company Secretary  
Riedel Resources Limited

15 October 2018

## ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 5 pm (AWST) on 21 November 2018. This is because, in accordance with the Corporations Regulations 2001 (Cth), the Board has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## HOW TO VOTE

### Voting in person

Shareholders 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 register of members and attendances recorded.

### Corporate representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

### Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 10:00 am (AWST) on 21 November 2018, being 48 hours before the time of the meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

### In person

#### Registered Office

Suite 1, 6 Richardson Street,  
West Perth, Western Australia 6005,

### By mail

PO Box 1559,  
West Perth, Western Australia 6872

### By fax

(08) 9463 2499

### By email

[janice.lin@nxiaperth.com.au](mailto:janice.lin@nxiaperth.com.au)

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

### Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at one of the addresses listed above for the receipt of proxy appointments at least 48 hours prior to the commencement of the meeting.

### Chairman as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on the Resolution:-

- The Chairman intends to vote in favour of the Resolution, as proxy for that Shareholder on a poll; and
- For Resolution 1, the Shareholder will have given the Chairman express authority to vote as the Shareholder's proxy on the relevant resolution even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company and even though the Chairman is a member of the KMP, unless the Shareholder expressly indicates to the contrary in the proxy appointment.

If you do not want to put the Chairman of the meeting in the position to cast your votes in favour of any of the proposed Resolutions, you should complete the appropriate box on the proxy form, directing your proxy to vote against, or to abstain from voting, on the resolution.

#### **Other members of KMP as proxy**

If a Shareholder appoints a Director (other than the Chairman of the meeting) or another member of KMP (or a Closely Related Party of any such person) as their proxy and does not direct the proxy how to vote on Resolution 1 by marking the 'For', 'Against' or 'Abstain' box opposite the relevant Resolution on the proxy appointment, the proxy will not be able to exercise the Shareholder's proxy and vote on their behalf on the relevant Resolution.

#### **QUESTIONS FROM SHAREHOLDERS**

The Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask questions about and make comments on the management of the Company and on the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report (Reports), as well as each of the Resolutions to be considered at the meeting.

A representative of the Company's auditor will attend the meeting. During the meeting's consideration of the Reports, the Chairman of the meeting will allow a reasonable opportunity for Shareholders at the meeting to ask the auditor's representative questions relevant to the:-

- Conduct of the audit;
- Preparation and content of the Auditor's Report for the financial year ended 30 June 2018;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Financial Report for that year; and
- Independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the Auditor's Report or the conduct of the audit.

If you wish to submit a question in advance of the meeting, you may do so by sending your question to one of the addresses or facsimile numbers above by no later than 16 November 2018. The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor will not be replying on an individual basis.

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### 1. Annual Report

Section 317 of the Corporations Act requires the reports of the directors and of the auditors and the Annual Report, including the financial statements, to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2018 Annual Report is available at [www.riedelresources.com.au](http://www.riedelresources.com.au). Those shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

### 2. Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2018.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

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

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must stand for re-election. Voting on this resolution will be determined by a poll at the meeting rather than a show of hands.

At the Company's 2017 Annual General Meeting the resolution for the adoption of the Remuneration Report was passed on a show of hands and with more than 99% of proxy votes cast in favour of the resolution. No comments were made on the Remuneration Report at that meeting.

#### Undirected proxies

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation to vote the proxy in accordance with the Chairman's intention.

Any undirected proxies held by any other key management personnel or any of their closely related parties will not be voted on this resolution.

Key management personnel of the Company has the same meaning as set out in the accounting standards and includes the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2018. Their closely related parties are defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

### **3. Resolutions 2 – Re-election of Mr Alexander Sutherland as a Director**

In accordance with Listing Rule 14.4 and clause 13.2 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office (rounded upwards in case of doubt) by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or 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.

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Mr Sutherland hereby retire by rotation at this Annual General Meeting and, being eligible, offer himself for re-election.

#### **Biography – Mr Sutherland**

Mr Sutherland has extensive experience in international commercial operations, including 15 years in Europe, 8 in the Asia Pacific region and two years in the United States. He is currently based in Switzerland and is Vice President of Finance (Extrusion Europe) for Sapa AB, a subsidiary of Norsk Hydro. Prior to this, he held the position of Strategy Director (Extrusion Europe) for Sapa AB. Mr Sutherland was previously Global Projects Manager for Alcoa Europe and has held senior management positions in multinational firms, including KPMG. Mr Sutherland brings his significant knowledge of international finance and the resources sector to provide depth to the Company's management team as it pursues exploration and development opportunities outside of Australia.

The Board of Directors, excluding Mr Sutherland, recommend that Shareholders vote in favour of Resolution 2.

### **4. Resolution 3 & 4 – Issue of Options to Messrs Alexander Sutherland and Scott Cuomo**

#### **4.1 Background**

These Resolutions seek Shareholder approval for the issue of 5,000,000 unlisted Options each to Messrs Sutherland and Cuomo or their nominees.

The issue of Options constitutes giving a financial benefit and Messrs Sutherland and Cuomo are related parties of the Company by virtue of their positions as non-executive directors of the Company. Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11.

#### **4.2 Chapter 2E of the Corporations Act - Related Party Transactions**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Messrs Sutherland and Cuomo are Related Parties of the Company.

These Resolutions provides for the grant of Options to related parties, which is a financial benefit requiring Shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related parties under these Resolutions are Messrs Sutherland and Cuomo or their nominees.

(b) *The nature of the financial benefit*

The financial benefit proposed to be given is the grant of 5,000,000 unlisted Options to each of Messrs Sutherland and Cuomo (10,000,000 Options in total). The Options have an expiry date of 23 November 2021, an exercise price of \$0.11 per Option, will vest in full on grant date and are issued on the terms set out in Annexure A.

(c) *Directors recommendation and basis of financial benefit*

The purpose of the grant of the Options is to provide an incentive to Messrs Sutherland and Cuomo to provide dedicated and ongoing commitment and effort to the Company.

The Board, with Messrs Sutherland and Cuomo abstaining, recommends that shareholders vote in favour of Resolutions 3 and 4.

(d) *Total remuneration package of Messrs Sutherland and Cuomo*

The Directors' current base remuneration per annum (including superannuation at 9.5%) is as follows:

| Director             | Description                | \$     |
|----------------------|----------------------------|--------|
| Alexander Sutherland | Non-Executive Director Fee | 32,850 |
| Scott Cuomo          | Non-Executive Director Fee | 32,850 |

(e) *Existing relevant interest*

As at the date of this Notice, Messrs Sutherland and Cuomo's relevant interests in the securities of the Company are as follows:

| Name                 | Shares    | Unlisted options | Total securities held |
|----------------------|-----------|------------------|-----------------------|
| Alexander Sutherland | 1,959,596 | nil              | 1,959,596             |
| Scott Cuomo          | nil       | nil              | nil                   |

(f) *Dilution*

Passing Resolutions 3 and 4 would have the effect of granting Messrs Sutherland and Cuomo (or their nominee) a combined total of 10,000,000 Options (being 5,000,000 Options each).

Granting the Options would have the effect of diluting the shareholding of existing Shareholders. Normally an option holder's decision to exercise an option is determined by the market price of the Shares during the Option period. At the time an Option is exercised, the Shares may be valued at a higher price than the exercise price of the Option.

If the 10,000,000 Options to be granted under Resolutions 3 and 4 were all exercised, the effect would be to dilute the shareholding of the existing Shareholders by 2.4% based on the total number of Shares on issue at the date of this Notice, being 418,069,699.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Shares trading on the ASX over the last 12 months, before the date of preparing this Notice of Annual General Meeting:

|               | Closing Price | Date             |
|---------------|---------------|------------------|
| Highest Price | 10.5 cents    | 5 January 2018   |
| Lowest Price  | 2.9 cents     | 7 September 2018 |
| Latest Price  | 3.0 cents     | 12 October 2018  |

(h) *Valuation of Options*

The Options to be issued to Messrs Sutherland and Cuomo pursuant to Resolution 3 and 4 have been valued by internal management (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation) based on a valuation methodology using the Black & Scholes Option Pricing Model, which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory.

The value of an option calculated by the Black & Scholes Model is a function of a number of variables.



The assessment of the estimated value of the Options has been prepared applying the following assumptions:

| Input   |                  |
|---|------------------|
| Grant date  | 23 November 2018 |
| Expiry date   | 23 November 2021 |
| Spot price on grant date (based on last traded price) | 3.0 cents        |
| Exercise price  | 11.0 cents       |
| Risk free rate  | 2.06%            |
| Volatility  | 100%             |
| Value per Option                                      | 1.090 cents      |
| Number of Options                                     | 5,000,000        |
| Total value per issue                                 | \$54,500         |
| Total value of all Options under Resolution 3 and 4   | \$109,000        |

The value of the 5,000,000 Options issue to each of Messrs Sutherland and Cuomo is \$54,500, with a total value for all 10,000,000 Options of \$109,000. The Company will receive cash funds of \$1,100,000 (being 10,000,000 Options at \$0.11 each) in the event that all 10,000,000 Options are converted to Shares by Messrs Sutherland and Cuomo.

(i) *Other information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 3 and 4.

#### 4.3 ASX Listing Rule 10.11

Messrs Sutherland and Cuomo are considered related parties of the Company by virtue of their positions as Non-executive Directors of the Company.

Accordingly, in order to grant the Options to them or their nominee, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the grant of the Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

#### 4.4 Specific information required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Messrs Sutherland and Cuomo, or their nominees.
- (b) The maximum number of Options to be granted to each party is 5,000,000 (combined total for all two parties of 10,000,000).
- (c) The Options will be granted no later than one month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that allotment will occur on the same date.  
  
The Options are being issued to Messrs Sutherland and Cuomo, both non-executive directors of the Company.
- (d) The Options have an exercise price \$0.11 per Option and will expire three years from the date of obtaining relevant shareholder approval, being 23 November 2021 (if approved). The terms of the Options are set out in Annexure A.
- (e) A voting exclusion statement is included in the Notice.
- (f) The Options are being issued to Messrs Sutherland and Cuomo, both non-executive directors of the Company, to give them an incentive to provide dedicated and ongoing commitment and effort to the Company. No funds will be raised from the issue unless the Options are converted to Ordinary Shares, in which case the Company will raise \$0.11 per converted Option (being \$1,100,000 if all 10,000,000 Options are converted). The Company intends to use any funds raised to further its exploration and evaluation work at the Carmenes cobalt-copper project in Spain, to assess or acquire new resource assets and/or for working capital purposes.

## 5. Resolution 5 – Approval of 10% Placement Facility

### 5.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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 is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Directors of the Company believe that Resolution 5 is in the best interests of the Company because if exploration success is encountered at its projects, and in particular at its Cármenes project in Spain, over the next 12 months, this resolution provides the ability for the Company to raise additional funds quickly. Resolution 5 also allows the Company the ability to raise additional funds which could be used for an acquisition of a new asset(s) or investments (including expenses associated with such acquisitions), should a future suitable opportunity be identified.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

### 5.2 Description of Listing Rule 7.1A

#### (a) Shareholder approval

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

#### (b) Equity Securities

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

The Company, as at the date of the Notice, has on issue one class of quoted Equity Security, namely quoted Shares. The Company also has 18,000,000 unlisted options on issue (exercisable at \$0.018 per option on or before 11 March 2019).

#### (c) Formula for calculating 10% Placement Facility

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

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

**A** is the number of fully paid 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 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 Rule 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 418,069,699 Shares, meaning the Company has the capacity to issue:

- (i) 62,710,455 Equity Securities under Listing Rule 7.1; and
- (ii) 41,806,970 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

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

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

or such longer period if allowed by ASX (**10% Placement Period**).

**5.3 Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires 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).

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

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) **Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) **Risk of economic and voting dilution**

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of unlisted Options, only if the unlisted Options are exercised). There is a risk that:

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

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

The table also shows:

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

| Variable 'A' in Listing Rule 7.1A.2                                      |   | Dilution                                  |                                      |   |
|--|---|---|--------------------------------------|---|
|  |   | \$0.015<br>50% decrease<br>in Issue Price | \$0.030<br>Issue Price               | \$0.045<br>50% increase<br>in Issue Price |
| <b>Current Variable A</b><br><br>418,069,699 Shares                      | <b>10%<br/>Voting<br/>Dilution</b><br><br><b>Funds<br/>raised</b> | 41,806,970 shares<br><br>\$627,105        | 41,806,970 shares<br><br>\$1,254,209 | 41,806,970 shares<br><br>\$1,881,314      |
| <b>50% increase in current<br/>Variable A</b><br><br>627,104,549 Shares  | <b>10%<br/>Voting<br/>Dilution</b><br><br><b>Funds<br/>raised</b> | 62,710,455 shares<br><br>\$940,657        | 62,710,455 shares<br><br>\$1,881,314 | 62,710,455 shares<br><br>\$2,821,970      |
| <b>100% increase in current<br/>Variable A</b><br><br>836,139,398 Shares | <b>10%<br/>Voting<br/>Dilution</b><br><br><b>Funds<br/>raised</b> | 83,613,940 shares<br><br>\$1,254,209      | 83,613,940 shares<br><br>\$2,508,418 | 83,613,940 shares<br><br>\$3,762,627      |

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.03, being the closing price of the Shares on ASX on 12 October 2018.

(c) **Period within which the 10% Placement Facility can be implemented**

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(d) **Purpose for which the 10% Placement Facility may be implemented**

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

- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new resource assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy when the 10% Placement Facility may be implemented**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice. However, the recipients of Equity Securities could consist of current Shareholders and/or new Shareholders (or both), none of whom will be related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(f) **Voting Exclusions**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2017 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting.

(g) **Prior Approvals under Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under ASX listing Rule 7.1A at its annual general meeting held on 28 November 2017. In accordance with Listing Rule 7.3 A.6 the total number of Equity Securities issued in the 12 months preceding the date of this meeting is 43,783,719 representing 10.5% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this meeting:

|  |  |   |   |  |   |
|--|--|---|---|--|---|
| <b>Date of Issue</b>   | 06 Dec 2017  | 06 Dec 2017   | 06 Dec 2017   | 06 Dec 2017  | 21 Dec 2017   |
| <b>Number of Securities</b>                                    | 9,113,049  | 4,000,000   | 4,000,000   | 2,942,475  | 23,728,195  |
| <b>Class</b>   | Fully paid ordinary shares   | Fully paid ordinary shares  | Fully paid ordinary shares  | Fully paid ordinary shares   | Fully paid ordinary shares  |
| <b>Terms of Class / Issue</b>                                  | Same as existing fully paid ordinary shares previously issued by the Company   | Same as existing fully paid ordinary shares previously issued by the Company  | Same as existing fully paid ordinary shares previously issued by the Company  | Same as existing fully paid ordinary shares previously issued by the Company   | Same as existing fully paid ordinary shares previously issued by the Company  |
| <b>Issue Price</b>   | \$0.015 per share  | \$0.01 per share (deemed)   | \$0.01 per share (deemed)   | \$0.01 per share (deemed)  | \$0.011 per share   |
| <b>Discount to Market Price at date of issue</b>               | The share price on the date of issue was \$0.085. This represents a discount of 82.4% to the market price on the date of issue (based on the agreed issue price of \$0.015 which was the same value as the Placement and Right Issue price)  | The share price on the date of issue was \$0.085. This represents a discount of 88.2% to the market price on the date of issue.   | The share price on the date of issue was \$0.085. This represents a discount of 88.2% to the market price on the date of issue.   | The share price on the date of issue was \$0.085. This represents a discount of 88.2% to the market price on the date of issue.  | The share price on the date of issue was \$0.083. This represents a discount of 81.9% to the market price on the date of issue.                                     |
| <b>Total cash consideration</b>                                | Nil  | Nil   | Nil   | Nil  | \$261,010 (being \$0.011 per option converted into a share)   |
| <b>Use of cash consideration</b>                               | N/A  | N/A   | N/A   | N/A  | The cash was used as part of the Company's continued exploration and feasibility study expenditure on the Company's current assets and for general working capital. |
| <b>Total non cash consideration paid and current value</b>     | Shares issued following shareholder approval at the 2017 AGM (Resolution 6). Issued under an agreement with the underwriters to the August 2017 Placement and Rights Issue in lieu of a cash payment of \$136,696 with a current value at the date of this Notice of \$273,392 given a share price of \$0.03 per share). | Shares issued following shareholder approval at the 2017 AGM (Resolution 7). Issued in lieu of forgone remuneration for the period 19 Jan 2016 to 26 July 2017. Current value at the date of this Notice of \$120,000 given a share price of \$0.03 per share). | Shares issued following shareholder approval at the 2017 AGM (Resolution 8). Issued in lieu of forgone remuneration for the period 19 Jan 2016 to 26 July 2017. Current value at the date of this Notice of \$120,000 given a share price of \$0.03 per share). | Issued in lieu of a cash payment for geological consulting services (total deemed value at date of issue of \$29,425 with a current value at the date of this Notice of \$88,274 given a share price of \$0.03 per share). | N/A   |
| <b>Allottees of Equity Securities issued or Basis of Issue</b> | Oracle Securities Pty Ltd  | Luke Matthews (former Director)   | Mark Skiffington (former Director)  | Jean David Knopf (Issued pursuant to consultancy service agreement)  | Registered holders of the unlisted options series who elected to convert their options into shares  |

## Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

|                                 |   |
|---------------------------------|---|
| <b>Annual Report</b>            | the annual report of the Company for the financial year ended 30 June 2018.   |
| <b>Annual General Meeting</b>   | the annual general meeting convened by this Notice.   |
| <b>ASX</b>                      | ASX Limited ACN 008 624 691 trading as the Australian Securities Exchange.  |
| <b>AWST</b>                     | Australian Western Standard Time, being the time in Perth, Western Australia.   |
| <b>Board</b>                    | the board of Directors.   |
| <b>Chairman</b>                 | the chairman of the Annual General Meeting.   |
| <b>Closely Related Party</b>    | <p>a closely related party of a member of Key Management Personnel as defined in Section 9 of the Corporations Act, being:</p> <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of that member's spouse;</li><li>(c) a dependent of that member or of that member's spouse;</li><li>(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;</li><li>(e) a company that is controlled by that member; or</li><li>(f) any other person prescribed by the regulations.</li></ul> |
| <b>Constitution</b>             | the constitution of the Company.  |
| <b>Company</b>                  | Riedel Resources Limited ACN 143 042 022.   |
| <b>Corporations Act</b>         | <i>Corporations Act 2001</i> (Cth).   |
| <b>Director</b>                 | a director of the Company.  |
| <b>Equity Securities</b>        | has the meaning given in the Listing Rules.   |
| <b>Explanatory Statement</b>    | the explanatory statement accompanying the Notice.  |
| <b>Key Management Personnel</b> | the key management personnel of the Company as defined in Section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).  |
| <b>Listing Rules</b>            | the ASX Listing Rules published and distributed by ASX.   |
| <b>Notice</b>                   | the notice of annual general meeting accompanying the Explanatory Statement.  |
| <b>Ordinary Resolution</b>      | a resolution that has been passed by at least 50% of the votes cast by shareholders entitled to vote on the resolution.   |

|                              |  |
|------------------------------|--|
| <b>Placement</b>             | the issue of 36,614,932 Shares at \$0.015 per Share to professional and sophisticated investors to raise a total of \$549,224 (before costs) in July 2017.   |
| <b>Proxy Form</b>            | the proxy form attached to the Notice.   |
| <b>Remuneration Report</b>   | the section of the Directors' Report contained in the Annual Report entitled "Remuneration Report".  |
| <b>Resolution</b>            | a resolution contained in the Notice.  |
| <b>Rights Issue or Offer</b> | the fully underwritten non-renounceable pro-rata offer of 1 new Share for every 3 Shares held at an issue price of \$0.015 per new Share issuing 93,571,495 Shares to raise approximately \$1,403,572 (before costs) in August 2017. |
| <b>Section</b>               | a section contained in the Explanatory Statement.  |
| <b>Share</b>                 | a fully paid ordinary share in the capital of the Company.   |
| <b>Shareholder</b>           | a holder of Shares.  |
| <b>Special Resolution</b>    | a resolution that has been passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.  |
| <b>VWAP</b>                  | the volume weighted average price.   |



## **ANNEXURE A - TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO DIRECTORS**

### **1. Nil Consideration Payable**

No subscription or application monies will be payable for the issue of each option.

### **2. Entitlement**

The Option Holder shall be issued with 5,000,000 options ("Options"). Each Option shall entitle the Option Holder (or a transferee under clause 9) to subscribe (in cash) for one (1) fully paid ordinary share ("Share") in the capital of Riedel Resources Limited (ACN 143 042 022) ("the Company").

All Options will have an exercise price of \$0.11 per Option ("Exercise Price").

### **3. Quotation**

The Options will not be quoted on the Australia Securities Exchange ("ASX").

### **4. Option Period**

Each Option will expire at 5:00pm WST on the 23 November 2021 ("Option Expiry Date"). Subject to clauses 5, 6 and 10 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire.

### **5. Non-Exercise Periods**

Options may only be exercised after they have vested. The Options will vest on grant date ("Vested Options").

### **6. Lapsing of Options Prior to Option Expiry Date**

Options will automatically lapse prior to the Option Expiry Date immediately upon determination by the board of directors of the Company ("the Board") that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries.

### **7. Ranking of Share Issued on Exercise of Option**

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares on issue.

### **8. Notification to Option Holders**

The Option Holder will be entitled to receive, and will be sent, all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless he is, in addition to being an Option Holder, a member of the Company.

### **9. Dealings in Options**

9.1 Save as provided in clause 9.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option without the prior written consent of the Board (which the Board may give or not give at its discretion) and any such sale, transfer, assignment or mortgage shall be subject to any applicable law and the ASX Listing Rules.

9.2 The Option Holder may at any time transfer all of their Vested Options to:

9.2.1 his spouse;

9.2.2 a company in which the Option Holder or his spouse are shareholders; or

9.2.3 a trustee of a trust in which the Option Holder or his spouse have a beneficial interest,

and such transfer shall be subject to any applicable law and the ASX Listing Rules.

### **10. Method of Exercise of an Option**

10.1 A certificate or holding statement will be issued by the Company with respect to the Options ("the Certificate").

10.2 Attached to or endorsed on the reverse side of the Certificate will be a notice that is to be completed by the Option Holder when exercising the Options ("Notice of Exercise of Options").

- 10.3 Vested Options may be exercised by the Option Holder delivering to the Company personally or sending by registered post to the registered office of the Company:
- 10.3.1 a completed Notice of Exercise of Options;
  - 10.3.2 payment in full for the Shares being subscribed, being an amount equal to the Exercise Price multiplied by the number of Vested Options being exercised; and
  - 10.3.3 the Certificate.
- 10.4 The Notice of Exercise of Options must state the number of Vested Options being exercised and the number of Shares to be issued, such number to be a multiple of 10,000, or if the total number of Vested Options held by an Option Holder is less than 10,000, then the total of all Vested Options held by the Option Holder.
- 10.5 The exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or part of the balance of the Option Holder's Vested Options before the Option Expiry Date in the future.
- 10.6 If the Option Holder exercises less than all of the Option Holder's Vested Options, the Company must cancel the Certificate and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.
- 10.7 Within fourteen (14) days from the date the Option Holder exercises the Vested Options, the Company shall issue to the Option Holder the number of Shares subscribed for.
- 10.8 The Company will (subject to any escrow restrictions imposed by the ASX), within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to the ASX for, and use its best endeavours to obtain, official quotation of all such Shares, in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

#### **11. Reconstruction**

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applicable to reconstructions at the time of the reconstruction.

#### **12. Participation in the New Share Issues**

- 12.1 There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its members from time to time unless and until the Options are exercised.
- 12.2 The Company will ensure that prior to the Option Expiry Date, the record date for the purposes of determining entitlements to any new issues of capital will be at least nine (9) business days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

#### **13. Change of Options Exercise Price or Number of Underlying Shares**

- 13.1 If the Company makes a pro rata issue (except a bonus issue) to its members, the exercise price of each Option shall be adjusted in accordance with the provisions of the ASX Listing Rules.
- 13.2 If the Company makes a bonus issue of Shares or other securities convertible into Shares pro rata to members, the number of Shares issued on the exercise of each Option will include the number of bonus Shares that the Option Holder would have been issued with if the Option had been exercised by the Option Holder prior to the books' closing date for bonus Shares. No change will be made in such circumstances to the Exercise Price.

#### **14. Takeover**

Notwithstanding clause 5, all Options may be exercised if a takeover bid (as defined in the *Corporations Act 2001*) is made for the Shares.

#### **15. ASX Listing Rules**

The rights of the Option Holder may be changed from time to time to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.



### Shareholder Details

Name: .....

Address: .....

Contact Telephone No: .....

Contact Email Address: .....

Contact Name (if different from above): .....

### Step 1: Appointment of Proxy

I/We being a Shareholder/s of Riedel Resources Limited and entitled to attend and vote hereby appoint

☐

The Chairman  
of the meeting  
(mark with an 'X')

OR

Write here the name of the person you  
are appointing if this person is someone  
other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Riedel Resources Limited to be held at Level 3, 88 William Street, Perth, Western Australia on 23 November 2018 at 10:00 am AWST and at any adjournment of that meeting.

**Chairman authorised to exercise proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) and am/are entitled to vote on the relevant Resolution, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in relation to Resolution 1 (and any motion for amendment of, or any procedural motion relating to that resolution) even though that resolution (and any such motion) may be connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, and even though the Chairman is a member of the key management personnel.

If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman how to exercise your proxy on Resolution 1 by marking the appropriate box below.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each of the proposed Resolutions (to the extent permitted by law).

### Step 2: Voting directions to your proxy – please mark ☒ to indicate your directions

#### Voting on Business of the General Meeting

Resolution 1 Adoption of Remuneration Report

Resolution 2 Re-election of Director – Mr Alexander Sutherland

Resolution 3 Issue of Options to Mr Alexander Sutherland

Resolution 4 Issue of Options to Mr Scott Cuomo

Resolution 5 Approval of 10% Placement Facility

| For                      | Against                  | Abstain                  |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

Appointment of a second proxy (see instructions attached).

- If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

PLEASE SIGN HERE

This section must be signed in accordance with the instructions attached to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## How to complete this Proxy Form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company Secretary on 08 9463 2463 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

You must sign this form as follows in the spaces provided:

|                    |  |
|--------------------|--|
| Individual:        | where the holding is in one name, the holder must sign.  |
| Joint Holding:     | where the holding is in more than one name, all of the Shareholders should sign.   |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate can be obtained from the Company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting, ie. no later than 10:00 am (AWST) on 21 November 2018. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Suite 1, 6 Richardson Street, West Perth Western Australia 6005 or sent by facsimile on (08) 9463 2499 or by email at [janice.lin@nexiaperth.com.au](mailto:janice.lin@nexiaperth.com.au).