

ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

26 November 2018

Time of Meeting

2:30pm

Place of Meeting

The Celtic Club
48 Ord St,
West Perth Western Australia 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

*The **2018 Annual Report** may be viewed on the Company's website at www.anglo.com.au*

ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Anglo Australian Resources NL (**Company**) will be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 26 November 2018 at 2:30pm for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2018 FINANCIAL STATEMENTS

To receive the financial statements of the Company for the year ended 30 June 2018 consisting of the annual financial report, the Directors' report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2018 Annual Report be and is hereby adopted."

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 by a member of the key management personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by a person as a proxy appointed in writing and the proxy specifies how that person is to vote on Resolution 1 and the vote is cast on behalf of that person.

2. RESOLUTION 2 – RE-ELECTION OF JOHN JONES AS A DIRECTOR

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

"That, for all purposes, John Jones, who retires pursuant to Article 10.3 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company"

3. RESOLUTION 3 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 19,365,766 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: The entity will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- Any person who participated in the issue; or
- An associate of those persons

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 17,104,367 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: The entity will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- Any person who participated in the issue; or
- An associate of those persons

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 400,000 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: The entity will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- Any person who participated in the issue; or
- An associate of those persons

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution 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 entity will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- A person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder or ordinary securities in the entity) or
- An associate of those persons

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 2:30pm (WST) 24 November 2018 at:

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

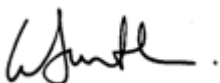
Postal Address PO BOX 52
Collins Street West VIC 8007

Street Address Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au



Graeme Smith
Company Secretary
Date: 25 October 2018

1. PROXIES

- (a) A Shareholder entitled to attend and vote at the above meeting may 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.
- (b) A proxy may, but need not be, a Shareholder of the Company.
- (c) The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.
- (d) The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

2. ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 4:00pm WST time on 24 November 2018 will be entitled to attend and vote at the AGM.

3. CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Anglo Australian Resources NL ACN 009 159 077 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005, on 26 November 2018 commencing at 2:30pm.

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Mr John Jones as a Director in accordance with the Company's constitution;
- ratifying the issue of securities; and
- approving the Company's 10% Placement Facility.

FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2018 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

1. RESOLUTION 1 – REMUNERATION REPORT

1.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- (a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- (b) a description of the relationship between the Company's remuneration policy and the Company's performance;
- (c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- (d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's website www.anglo.com.au.

1.2 Voting on the Remuneration Report

In accordance with Section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

- (a) a member of the key management personnel, whose remuneration details 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 the Resolution if:

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Remuneration Report Resolution; and

- (d) the vote is not cast on behalf of the person described in paragraph (a) or (b) above.

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

2. RESOLUTION 2 – ELECTION OF JOHN JONES AS A DIRECTOR

2.1 General

Resolution 2 proposes the election of Mr John Jones as a Director of the Company with effect from close of the Meeting. In accordance with ASX Listing Rule 14.5, an election of directors must be held at each AGM of the Company.

The Company's Constitution also requires that one third of the Company's directors must retire at each AGM.

Accordingly, Mr John Jones will retire by rotation at this Meeting and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

Mr Jones is a well-known and respected mining identity who has been associated with a number of successful mining corporations in his 44 years of business. Mr Jones has been a director of the Company since February 1990, is a Kalgoorlie pastoralist and businessman formerly associated with North Kalgurli Mines NL and was a founding director of Jones Mining Limited. Mr Jones is a Non-Executive Director of Troy Resources Limited, Image Resources NL and Tanga Resources Limited.

2.3 Directors' Recommendation

All the Directors, with the exception of Mr Jones, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

3.1 General

On 15 December 2017, the Company issued 16,714,743 Shares at an issue price of \$0.078 per Share and on 20 December 2017, issued a further 2,651,022 Shares at an issue price of \$0.078 per Share, under its 15% placement capacity under Listing Rule 7.1 as part of a Placement to professional and sophisticated investors.

It now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 without requiring shareholder approval.

Accordingly, Resolution 3 seeks Shareholder ratification of the issue of 19,365,766 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

3.2 Information required by Listing Rule 7.5

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

- a) 19,365,766 Shares were allotted and issued by the Company;
- b) the issue price per Share was \$0.078;
- c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- d) the Shares were issued to professional and sophisticated investors who are not related parties of the Company;

- e) \$1.5 million was raised from the issue of the Shares before costs of the issue and these funds raised have been used for exploration and general working capital; and
- f) a voting exclusion statement is included in the Notice.

3.3 Directors' Recommendation

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SECURITIES

4.1 General

On 7 June 2018, the Company issued 10,519,095 Shares at an issue price of \$0.088 per Share and on 20 June 2018 issued 6,585,272 Shares at an issue price of \$0.088 per Share, under its 15% placement capacity under Listing Rule 7.1. as part of a Placement to professional and sophisticated investors.

It now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 without requiring shareholder approval.

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of 17,104,367 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

4.2 Information required by Listing Rule 7.5

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

- a) 17,1204,367 Shares were allotted and issued by the Company;
- b) the issue price per Share was \$0.088;
- c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- d) the Shares were issued to professional and sophisticated investors who are not related parties of the Company;
- e) \$1.5 million was raised from the issue of the Shares before costs of the issue and these funds raised have been, and will be, used for exploration and general working capital; and
- f) a voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SECURITIES

5.1 General

On 15 October 2018, the Company issued 400,000 Shares at a deemed issue price of \$0.08 per Share under its 15% placement capacity under Listing Rule 7.1. as part of a Placement to professional and sophisticated investors.

It now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 Listing Rule 7.4 permits

the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 without requiring shareholder approval.

Accordingly, Resolution 5 seeks Shareholder ratification of the issue of 400,000 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 5 did not breach Listing Rule 7.1.

5.2 Information required by Listing Rule 7.5

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

- g) 400,000 Shares were allotted and issued by the Company;
- h) the deemed issue price per Share was \$0.08;
- i) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- j) 200,000 Shares were issued to Voyager Holdings 1994 Pty Ltd and 200,000 Shares were issued to Gianni Holdings Pty Ltd neither of which is a related party of the Company;
- k) The shares were issued pursuant to an agreement and therefore no funds were raised from the issue of the Shares; and
- l) a voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 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 AGM (**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 6.2(c) below).

6.2 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 AGM.

(b) Equity Securities

- (i) 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.
- (ii) The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being listed Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

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

(A x D) – E

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 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;
 - (iv) 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

- (i) 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.
- (ii) At the date of this Notice, the Company has on issue 318,264,054 Shares. If Resolutions 3 - 5 are passed, the Company will have a capacity to issue:
 - A. 47,739,608 Equity Securities under Listing Rule 7.1; and
 - B. 31,826,405 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 6.2(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 AGM 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 AGM at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) **(10% Placement Period)**.

6.3 Listing Rule 7.1A

(a) The effect of Resolution 6 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.

- (b) Resolution 6 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).

6.4 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) 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) If Resolution 6 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 Convertible Securities, only if the Convertible Securities are converted into Shares). 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

- (c) If Resolution 6 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.

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 this Notice.

The table 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 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.042 50% decrease in Issue Price	\$0.084 Issue Price	\$0.168 100% increase in Issue Price
Current Variable A 318,264,054 Shares	10% voting dilution	31,826,405	31,826,405	31,826,405
	Funds raised	\$1,336,709	\$2,673,418	\$5,346,836
50% increase in current Variable A 477,396,081 Shares	10% voting dilution	47,739,608	47,739,608	47,739,608
	Funds raised	\$2,005,064	\$4,010,127	\$8,020,254
100% increase in current Variable A 636,528,108 Shares	10% voting dilution	63,652,810	63,652,810	63,652,810
	Funds raised	\$2,673,418	\$5,346,836	\$10,693,672

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 Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted 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 this 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 Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.084, being the closing price of Shares on the ASX on 12 October 2018.
 - (viii) Ratification of the Securities, the subject of Resolutions 3 - 5, is assumed to have occurred.
- (d) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 6 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).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration expenditure and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new resources, assets, investments and the provision of services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

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 but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

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

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2017 Annual General Meeting on 27 November 2017

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 37,370,133 representing 10% 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 Notice of Meeting:

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Current Value of consideration	Allottee
15 Dec 2017	16,714,743	ORD	\$0.078	Nil	\$1,303,750 The Company has spent \$1.2 million of these funds raised on exploration costs including drilling, geological consultants and assay costs. ~\$100,000 has been spent on general working capital purposes	Sophisticated investors
20 Dec 2017	2,651,022	ORD	\$0.078	Nil	\$206,780 The Company has spent these funds raised on exploration costs	Sophisticated investors
21 Dec 2017	500,000	ORD ¹	\$0.04	Nil	\$20,000 These funds were used for general working capital	G Sakalidis
7 June 2018	10,519,095	ORD	\$0.088	Nil	\$925,680 The Company has spent these funds raised on exploration costs including drilling, geological consultants and assay costs.	Sophisticated investors
20 Jun 2018	6,585,272	ORD	\$0.088	Nil	\$579,504 The Company has spent \$80,000 of these funds raised on exploration costs including drilling, geological consultants and assay costs. ~\$50,000 has been spent on general working capital purposes. The balance of the remaining fund (~\$450,000) will be spent on exploration including drilling, geological consultants and assay costs and general working capital.	Sophisticated investors
15 Oct 2018	400,000	ORD	\$0.08 (deemed)	Nil	\$32,000 No funds were raised from this issue	Voyager Holdings 1994 Pty Ltd & Gianni Holdings Pty Ltd
	37,370,132				\$3,067,714.00	

¹ Exercise of unlisted options exercisable at \$0.04 each on or before 30 Nov 2020

- (g) A voting exclusion statement is included in the Notice.
- (h) 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6. Resolution 6 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).

The Chairman intends to exercise all available proxies in favour of Resolution 6.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Proxy Form to vote the Shares represented thereby in accordance with their best judgement on such matter.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting
Annual Report	means the Directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2018.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Anglo Australian Resources NL ACN 009 159 077
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the Proxy Form attached to this Notice.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.

The Company Secretary
Anglo Australian Resources NL
63 Hay Street
SUBIACO WA 6008

Name of Shareholder (s)

Address of Shareholder (s)

STEP 1 **Appoint Proxy to Vote on Your Behalf**

I / We being a member / s of Anglo Australian Resources NL hereby appoint

☐ **the Chairman of the Meeting** OR

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

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Anglo Australian Resources NL to be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 26 November 2018 at 11:30 am (WST) and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

STEP 2 **Items of Business**

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ Shares.

SIGN **Signature of Security holder – Please sign here**

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Dated this _____ day of _____ 2018

Joint Shareholder 2

Director / Company Secretary

Joint Shareholder 3

Director

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The Proxy Form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the Proxy Form.
5. To be effective, forms to appoint proxies **must be received by the Company by 2:30pm WST, 24 November 2018** by post, facsimile or email to the respective addresses stipulated in this Proxy Form.
6. The Chairman will cast all available proxies in favour of the Resolutions.
7. If the Proxy Form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
8. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.

