

**SANTA FE MINERALS LIMITED**  
**ACN 151 155 734**

**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth WA on Thursday, 29 November 2018 at 9.00am (WST).**

*This Notice and the accompanying Explanatory Memorandum 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.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9463 2463.*

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Santa Fe Minerals Limited will be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia 6000 on Thursday, 29 November 2018 at 9.00am (WST).

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

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 27 November 2018 at 5.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2018 which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 1. Resolution 1 - Remuneration Report

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

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

#### Voting Prohibition

The Company will disregard any votes cast in favour of Resolution 1:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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, and the appointment expressly authorises the Chairman to exercise the proxy

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## 2. Resolution 2 - Re-election of Mr Terence Brown as a Director

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

*"That, pursuant to and in accordance with Listing Rule 14.4, Article 7.3(a) of the Constitution and for all other purposes, Mr Terence Brown, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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## 3. Resolution 3 - Ratification of prior issue of securities (Tenement Sale Agreement)

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 16 March 2018 of 500,000 Shares and 500,000 Unquoted Options on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Prohibition

The Company will disregard any votes cast in favour of Resolution 3:

- (a) by persons who participated in the issue the subject of Resolution 3 and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary shares, if the Resolution is passed; and
- (b) by an associate of that person.

However, the Company need 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, and the appointment expressly authorises the Chairman to exercise the proxy.

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## 4. Resolution 4 - Approval of 10% Placement Capacity

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

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

### Voting Prohibition

The Company will disregard any votes cast in favour of Resolution 4:

- (a) by persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary shares, if the Resolution is passed; and
- (b) by an associate of that person.

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.

**BY ORDER OF THE BOARD**



**Mr Douglas Rose**  
Managing Director

Dated: 16 October 2018

## EXPLANATORY MEMORANDUM

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### 5. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia 6000 on Thursday, 29 November 2018 at 9:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

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### 6. Action to be taken by Shareholders

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

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 6.1 Proxies

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- a) in person to 39 Clifton Street, Nedlands, WA 6009;
- b) post to 39 Clifton Street, Nedlands, WA 6009;
- c) facsimile on +61 8 9389 8226; or
- d) email to the Company Secretary at [krystal.kirou@nexiaperth.com.au](mailto:krystal.kirou@nexiaperth.com.au),

so that it is received not later than 9:00am (WST) on 27 November 2018. Proxy Forms received later than this time will be invalid.

Please note that:

- a) a proxy need not be a Shareholder;
- b) a Shareholder may appoint a body corporate or an individual as its proxy;
- c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint an individual to act as its representative at the Meeting in accordance with section 250D of the Corporation Act.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body's corporate representative. The authority may be sent to the Company or the Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## ORDINARY BUSINESS

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### 7. Annual Report

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report available online at [www.santafeminerals.com.au](http://www.santafeminerals.com.au)
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,
- (e) may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

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### 8. Resolution 1 - Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2019 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman 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, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## **9. Resolution 2 - Re-election of Mr Terence Brown as Director**

In accordance with Listing Rule 14.4 and Article 7.3(a) of the Constitution, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment, or three years, whichever is longer.

Mr Brown was appointed on 14 August 2017. Resolution 2 provides that he retires from office and seeks re-election as a Director.

Details of Mr Brown's background and experience is set out in the Remuneration Report comprised in the 2018 Annual Financial Report.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Brown) supports the re-election of Mr Brown to the Board and recommends that shareholders vote in favour of Resolution 2.

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## **10. Resolution 3 - Ratification of prior issue of securities (Tenement Sale Agreement)**

On 16 March 2018, the Company issued 500,000 Shares and 500,000 Unquoted Options (together, **Securities**) for nil cash consideration within the Company's 15% placement capacity under Listing Rule 7.1.

The Securities were issued in accordance with the terms of the Tenement Sale Agreement between the Company's wholly owned subsidiary, Challa Minerals Pty Ltd, and Gunex Pty Ltd who is not a related party of the Company. Refer to ASX announcement on 1 March 2018. The full terms of the Unquoted Options are set out in Schedule 2.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the

number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an Eligible Entity may issue or agree to issue during the period the approval is valid a number of equity securities, in an existing class of quoted Equity Securities, which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1A.2.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 and/or 7.1A, provided that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 3 seeks ratification under Listing Rule 7.4 of the issue of the Securities on 16 March 2018, to restore the ability of the Company to issue further securities within the 15% limit during the next 12 months.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

The following information in relation to the Shares the subject of Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.5:

The number of securities issued	<ul style="list-style-type: none"> <li>▪ 500,000 Shares</li> <li>▪ 500,000 Unquoted Options</li> </ul>
The price at which the securities were issued	The securities were issued for nil cash consideration pursuant to the Tenement Sale Agreement but at a deemed issue price of \$0.15 per Share and \$0.06 per Option
The terms of the securities	<ul style="list-style-type: none"> <li>▪ The Shares are ordinary fully paid shares issued in the capital of the Company and now rank equally in all respects with existing Shares (were escrowed for 6 months until 15 September 2018).</li> <li>▪ The Unquoted non-transferable Options are exercisable at \$0.20 and expire on 30 November 2020 (were escrowed for 6 months until 15 September 2018).</li> </ul>
The name of the persons to whom the Company issued the securities or the basis on which those persons were determined	<ul style="list-style-type: none"> <li>▪ 250,000 Shares and 250,000 Unquoted Options were issued to Bruce Robert Legendre</li> <li>▪ 250,000 Shares and 250,000 Unquoted Options were issued to Stepstone Pty Ltd</li> </ul>
The use (or intended use) of the funds raised	No funds were raised by the issue of the Shares as they were issued as consideration under the Tenement Sale Agreement
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 3

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## 11. Resolution 4 - Approval of 10% Placement Capacity

### 11.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the entity's 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 (please refer to Section 7.2(c) below).

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

### 11.2 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.

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

(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 shares on issue 12 months before the date of issue or agreement:

plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

plus the number of partly paid shares that became fully paid in the 12 months;

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;

less the number of fully paid shares cancelled in the 12 months.

Note: A has the same meaning as 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.

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 (please refer to Section 4.2(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 Section 7.2(e)(i), 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 (a 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").

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

In accordance with Listing Rule 7.3A, the following information is provided to Shareholders in relation to the 10% Placement Facility:

- (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 ASX trading days of the date in Section 4.3(a)(i), the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. 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 Annual General 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 meetings of Shareholders; 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		
		\$0.0525 50% decrease in Market Price	\$0.105 Current Market Price	\$0.21 100% increase in Market Price
Current Variable A 72,818,789	10% Voting Dilution	7,281,879 Shares	7,281,879 Shares	7,281,879 Shares
	Funds raised	\$382,298.64	\$764,597.29	\$1,529,194.59
50% increase in current Variable A 109,228,183	10% Voting Dilution	10,922,818 Shares	10,922,818 Shares	10,922,818 Shares
	Funds raised	\$573,447.96	\$1,146,895.89	\$2,293,791.78
100% increase in current Variable A 145,637,578	10% Voting Dilution	14,563,757 Shares	14,563,757 Shares	14,563,757 Shares
	Funds raised	\$764,597.24	\$1,529,194.48	\$3,058,388.97

The table has been prepared on the following assumptions:

1. There are currently 72,818,789 Shares on issue.
  2. The issue price is \$0.105, being the closing price of the Shares on ASX on 9 October 2018.
  3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
  4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
  5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
  6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
  7. No Options are exercised before the date of the issue of the Equity Securities.
  8. 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%.
  9. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 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) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds for further exploration and evaluation of its existing assets, to acquire new assets or investments and/or general working capital purposes; or
  - (ii) non-cash consideration for the acquisition of new assets complementary to the Company's activities in the mining sector. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

- (e) 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 purpose of the issue;
  - (ii) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issues in which existing security holders can participate;
  - (iii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iv) the financial situation and solvency of the Company;
  - (v) prevailing market conditions; and
  - (vi) 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 are likely to be investors which are sophisticated and/or professional investors, who are not related parties of the Company, for the purposes of section 708 of the Corporations Act.

If the Company is successful in acquiring new resource 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.

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

The Company has not previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.

- (f) 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. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## **Schedule 1 - Definitions and Interpretation**

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

**Annual Report** means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2018 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2018, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2018.

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

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

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** has the meaning given in section 9 of the Corporations Act.

**Company** means Santa Fe Minerals Limited ACN 151 155 734.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Eligible Entity** has the meaning given in Section 6.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Group Company** means any one of the Company or a Related Body Corporate.

**Key Management Personnel** means 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) of the Company.

**Listing Rules** means the official listing rules of ASX.

**Meeting** means the annual general meeting of the Company to be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, WA 6000 on Thursday, 29 November 2018 at 9.00am (WST).

**Notice** means the notice convening the Meeting which accompanies this Explanatory Memorandum.

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

**Proxy Form** means the proxy form attached to the Notice.

**Related Body Corporate** has the meaning given to that term in the Corporations Act.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

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

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

**Securities** means any Shares issued or Vendor Options granted by the Company.

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

**Shareholder** means a registered holder of a Share.

**Share Registry** means Advanced Share Registry Limited ACN 127 175 946.

**Tenement Sale Agreement** has the meaning set out on page 6 of the Explanatory Memorandum.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (e) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (f) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,  
is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (g) “**include**” and “**including**” are not words of limitation; and
- (h) “\$” is a reference to Australian currency.

## **Schedule 2 - Terms and Conditions of Unquoted Options**

### **1. Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### **2. Expiry Date and Exercise Price**

Each Option is exercisable at \$0.20 (**Exercise Price**) and will expire on 30 September 2020.

### **3. Exercise Period**

Each Option is exercisable at any time after 15 September 2018 and before the Expiry Date (**Exercise Period**). After this time, the unexercised Options will automatically lapse.

### **4. Notice of Exercise and Payment**

The Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

### **5. Shares issued on exercise**

Shares issued on exercise of the Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

### **6. Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

### **7. Timing of issue of Shares**

Within five business days after the later of the following:

- (a) receipt of an Exercise Notice given in accordance with these terms and conditions, and payment of the Exercise Price for each Option being exercised, by the Company, if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (b) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Options;
- (d) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (e) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of Options.

## **8. Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required Shareholder and regulatory approvals (if any) for the purpose of issuing the Shares to the holder. If exercise of the Options will result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each r Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders of the Options must give notification to the Company in writing if they consider that the exercise of Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

## **9. Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of Options. However, the Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

## **10. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (f) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised an Option before the record date for the bonus issue; and
- (g) no change will be made to the Exercise Price.

## **11. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

## **12. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

## **13. Quotation**

The Company will not apply for quotation of the Options on ASX.

## **14. Transferability**

The Options are not transferable.



ABN 59 151 155 734

## PROXY FORM

### 2018 ANNUAL GENERAL MEETING

I/We

of:

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

Name:

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

or failing the person so named or, if no person is named, the Chairman, or the Chairman's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at **9.00 am (AWST), on 29 November 2018 at HLB Mann Judd, Level 4 130 Stirling Street, Perth WA 6000**, and at any adjournment thereof.

**I/ we expressly authorise the Chairman to exercise my/ our proxy even if the proposed Resolution is connected directly or indirectly with the Remuneration of a member of Key Management Personnel.**

**The Chairman intends to vote undirected proxies in favour of Resolutions 1 to 4. In exceptional circumstances the Chairman may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.**

	For	Against	Abstain
Resolution 1: Non-Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Mr Terence Brown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Ratification of prior issue of securities (Tenement Sale Agreement)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

#### SIGNATURE OF SHAREHOLDER(S):

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

*This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).*

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_ Contact ph. daytime): \_\_\_\_\_

Email: \_\_\_\_\_

### **Instructions for completing Proxy Form**

1. **Appointing a proxy:** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **Direction to vote:** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **Signing instructions:**
  - **Individual:** Where the holding is in one name, the Shareholder must sign.
  - **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
  - **Power of attorney:** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **Attending the Meeting:** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) in person to 39 Clifton Street, Nedlands, WA 6009;
  - (b) post to 39 Clifton Street, Nedlands, WA 6009;
  - (c) facsimile on +61 8 9389 8226; or
  - (d) email to the Company Secretary at [krystal.kirou@nexiaperth.com.au](mailto:krystal.kirou@nexiaperth.com.au).

so that it is received not less than 48 hours prior to commencement of the Meeting being not later than 9.00 am (WST) on 27 November 2018.

**Proxy Forms received later than this time will be invalid.**