

NORTHERN MINERALS LIMITED
ABN 61 119 966 353

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

AND

EXPLANATORY MEMORANDUM

AND

PROXY FORM

10.00AM (PERTH TIME), 30 NOVEMBER 2018

AT

**LEVEL 1
675 MURRAY STREET
WEST PERTH
WESTERN AUSTRALIA 6005**

**Please read the Notice and Explanatory Memorandum carefully.
If you are unable to attend the meeting please complete and return the
enclosed proxy form in accordance with the specified instructions.**

Notice is hereby given that the Annual General Meeting of Shareholders of Northern Minerals Limited ABN 61 119 966 353 ("**Northern**" or "**Company**") will be held at Level 1, 675 Murray Street, West Perth, Western Australia 6005 at 10.00am (Perth time) on 30 November 2018.

AGENDA

ANNUAL ACCOUNTS

To receive and consider the financial report of the Company and the reports of the Directors and the auditor for the financial year ended 30 June 2018.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company’s Annual Report (which is available at www.northernminerals.com.au) be adopted.”

Voting Exclusion: In accordance with section 250R of the Corporations Act, the Company will disregard any votes cast on this Resolution by, or on behalf of, a member of the Key Management Personnel ("**KMP**") or a KMP's Closely Related Party. However, the Company need not disregard a vote if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the chair of the Meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the Resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

RESOLUTION 2 – RE-ELECTION OF MR COLIN MCCAVANA

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

“That Mr Colin McCavana, who retires by rotation in accordance with the Company’s Constitution, be re-elected as a Director with effect from the close of the Meeting.”

RESOLUTION 3 – ELECTION OF MR MING LU

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

“That Mr Ming Lu, who retires in accordance with rule 8.2 of the Company’s Constitution, and, being eligible, offers himself for election, be elected as a Director with effect from the close of the Meeting.”

RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of (or the agreement to issue) Equity Securities representing 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 set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any associate (as defined in the Listing Rules) of those persons. However, the Company 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.

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), no votes will be excluded and Shareholders should consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted.

RESOLUTION 5 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO SOPHISTICATED INVESTORS

To consider and, if thought fit, to pass 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 38,461,538 Shares to sophisticated investors, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue, or any associates (as defined in the Listing Rules) of those persons.

However, the Company 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.

RESOLUTION 6 – RATIFICATION OF PREVIOUS ISSUE OF CONVERTIBLE NOTES TO LIND ASSET MANAGEMENT X, LLC

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of 2 convertible notes (convertible into a maximum of 25,000,000 Shares) to Lind Asset Management X, LLC, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Asset Management X, LLC, or any of its associates (as defined in the Listing Rules).

However, the Company 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.

RESOLUTION 7 – ISSUE OF SHARES TO LIND ASSET MANAGEMENT X, LLC

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 25,000,000 Shares to Lind Asset Management X, LLC (or its nominee), for the purpose and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Asset Management X, LLC (or its nominee), or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder of ordinary securities in the Company), or any of their associates.

However, the Company 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.

RESOLUTION 8 – ISSUE OF OPTIONS TO LIND ASSET MANAGEMENT X, LLC

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of 10,000,000 Options to Lind Asset Management X, LLC (or its nominee), for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Asset Management X, LLC (or its nominee), or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder of ordinary securities in the Company), or any of their associates.

However, the Company 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.

RESOLUTION 9 – APPROVAL TO PAY TERMINATION BENEFITS UNDER LISTING RULE 10.19

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

“That, for the purpose of Listing Rule 10.19, and for all other purposes, Shareholders approve the payment of termination benefits to Directors that become payable under the terms of their performance rights even if such payments would exceed 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules at the relevant time.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of an officer of the entity or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit and any associates of those persons (as defined in the Listing Rules).

However, the Company 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.

RESOLUTION 10 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 1

To consider and, if thought fit, to pass 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 11,111,111 Shares to NRE Industrial Group Limited under the NRE Subscription Agreement to the extent that such Shares are issued between the date of the Notice and the date of the Meeting, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of NRE Industrial Group Limited, or any of its associates (as defined in the Listing Rules).

However, the Company 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.

RESOLUTION 11 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 2

To consider and, if thought fit, to pass 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 11,111,111 Shares to NRE Industrial Group Limited under the NRE Subscription Agreement to the extent that such Shares are issued between the date of the Notice and the date of the Meeting, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of NRE Industrial Group Limited, or any of its associates (as defined in the Listing Rules).

However, the Company 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.

RESOLUTION 12 – ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 3 AND TRANCHE 4

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 218,181,818 Shares to NRE Industrial Group Limited (or its nominee), for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of NRE Industrial Group Limited (or its nominee), or any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder of ordinary securities in the Company), or any of their associates.

However, the Company 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.

RESOLUTION 13 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO LIND ASSET MANAGEMENT X, LLC

To consider and, if thought fit, to pass 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 16,026,426 Shares to Lind Asset Management X, LLC, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Lind Asset Management X, LLC, or any of its associates (as defined in the Listing Rules).

However, the Company 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.

RESOLUTION 14 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO MS JINGMEI WANG

To consider and, if thought fit, to pass 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 22,222,222 Shares to Ms Jingmei Wang (or her nominee) to the extent that such Shares are issued between the date of the Notice and the date of the Meeting, for the purposes and on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms Jingmei Wang (or his nominee), or any of their associates (as defined in the Listing Rules).

However, the Company 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.

OTHER BUSINESS

To transact any other business that may be legally brought before the Meeting.

CHAIRMAN AND CHAIRMAN’S VOTING INTENTIONS FOR UNDIRECTED PROXIES

It is proposed that the chairman of the Meeting be Mr Colin McCavana. It is the chairman’s intention as chairman of the Meeting to vote undirected proxies (i.e. open proxies) which he holds as proxy in favour of all Resolutions.

SNAPSHOT DATE

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the date to determine who are the Shareholders in the Company for the purposes of the

AGM is at **4.00pm (Perth time) on 28 November 2017**. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Holders of Options or other convertible securities issued by the Company who are not Shareholders but who wish to vote as Shareholders at the AGM are required to lodge valid exercise notices with the Company no later than 1 week before the AGM to allow sufficient time for the Shares to be issued by the Company.

PROXIES

In accordance with section 249L(1)(d) of the Corporations Act, Shareholders are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is 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. If no proportion or number is specified then in accordance with section 249X(3) of the Corporations Act each proxy may exercise one half of the votes.

In accordance with section 250BA of the Corporations Act the Company specifies the following details for the purposes of receipt of proxy appointments:

Share Registry (Security Transfer Australia Pty Ltd):	PO BOX 52 Collins Street West VIC 8007 Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Facsimile Number:	+61 8 9315 2233

Company's Registered Office:	LEVEL 1 675 MURRAY STREET WEST PERTH WA 6005
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Facsimile Number:	+61 8 9481 5929
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The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the AGM. The Proxy Form may be sent by facsimile transmission to the number identified on the Proxy Form.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the AGM should provide that person with a certificate or letter executed in accordance with section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the AGM or handed in at the AGM when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

VOTING PROHIBITION BY PROXY HOLDERS (REMUNERATION OF KEY MANAGEMENT PERSONNEL)

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 or 9 if the person is either a member of Key Management Personnel or a Closely Related Party of such a member and the appointment does not specify the way the proxy is to vote on the Resolution. However, the proxy may vote if the proxy is

the chair and the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

If the chair is appointed as your proxy and you have not specified the way the chair is to vote on Resolutions 1 or 9 by signing and returning the Proxy Form, you are considered to have provided the chair with an express authorisation for the chair to vote the proxy in accordance with the chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

OTHER

Words which are defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering the Notice of Meeting and the Explanatory Memorandum, please refer to the Glossary on page 9.

Dated this 30 October 2018

By order of the Board



Mark Tory
Company Secretary / CFO

GLOSSARY

AASB 2 means Australian Accounting Standard AASB 2 Share-based Payment.

Additional 10% Placement Facility is defined in the Explanatory Memorandum for Resolution 4.

Additional 10% Placement Period is defined in the Explanatory Memorandum for Resolution 4.

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

Annual Report is the Company's Annual Report for the financial year ended 30 June 2018, comprising the financial report, the Director's report and the Auditor's Report for the financial year ended 30 June 2018.

ASX is ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.

Auditor's Report means the auditor's report included in the Annual Report of the Company for the year ended 30 June 2018.

Board is the Board of Directors of the Company.

Closely Related Party has the meaning given to that term in section 9 of the Corporations Act.

Company or **Northern Minerals** is Northern Minerals Limited ABN 61 119 966 353.

Constitution is the constitution of the Company.

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

Director is a director of the Company.

Equity Security means equity securities as defined in the Listing Rules, being a share, unit, right to a share or unit or option, a convertible security, any security that ASX decides is an equity security but not a security ASX decides to classify as a debt security.

Explanatory Memorandum or **Memorandum** is the Explanatory Memorandum accompanying the Notice of Meeting.

Funding Agreement has the meaning given in the Explanatory Memorandum for Resolution 6.

Huatai means Huatai Mining Pty Ltd (ACN 163 062 164).

Key Management Personnel or **KMP** is a member of the key management personnel as disclosed in the Remuneration Report contained in the Annual Report.

Lind has the meaning given in the Explanatory Memorandum for Resolution 6.

Listing Rules is the Listing Rules of the ASX.

Notice of Meeting or **Notice** is this Notice of AGM.

NRE has the meaning given in the Explanatory Memorandum under the heading “Background to Resolutions 10, 11 and 12”.

NRE Subscription Agreement has the meaning given in the Explanatory Memorandum under the heading “Background to Resolutions 10, 11 and 12”.

Option means an unquoted option to subscribe for a Share.

Option Exercise Price has the meaning given in Annexure 2.

Performance Right means a right issued under the Performance Rights Plan to acquire a Share.

Performance Rights Plan means the Northern Minerals Limited Performance Rights Plan established in accordance with the Northern Minerals Limited Performance Rights Plan Rules, the terms of which were summarised in the notice of 2016 annual general meeting of the Company released to ASX on 31 October 2016.

Proxy Form is the form of proxy accompanying this Notice of Meeting.

Remuneration Report means the remuneration report of the Company contained in the annual Directors’ report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Resolution is a resolution proposed to be passed at the Meeting and contained in the Notice of Meeting.

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

Shareholder is a person entered in the Company’s register as a holder of a Share.

Sinosteel has the meaning given in the Explanatory Memorandum for Resolution 5.

VWAMP means volume weighted average market price.

VWAP means volume weighted average price.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS
NORTHERN MINERALS LIMITED
ABN 61 119 966 353

This Memorandum sets out information about the business to be considered by the Shareholders at the Annual General Meeting. A short explanation of the business to be considered by the Shareholders is set out below.

BUSINESS OF THE MEETING

Annual Report 2018

Section 317 of the Corporations Act requires the Directors to lay before the AGM the financial report, Directors' report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended before the AGM.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports or the management of the Company but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for the adoption of the Remuneration Report). Shareholders will also be given an opportunity to ask the auditor or the auditor's representative questions relating to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions for the auditor if the questions are relevant to the content of the audit report or the conduct of the audit of the Company's financial report for the period ended 30 June 2018. Relevant written questions for the auditor must be received by mail at the registered office of the Company or by facsimile (facsimile number +61 8 9481 5928) no later than the fifth business day before the date of the Meeting.

A list of the relevant written questions together with responses will be made available to Shareholders attending the Meeting. They will also be placed on the Company's website.

The following details should be included with written questions:

- the **Shareholder's Name**; and
- either the Shareholder's **Security Reference Number (SRN)** or **Holder Identification Number (HIN)**.

ORDINARY BUSINESS – RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

Pursuant to section 250R of the Corporations Act, the Company is required to put the Remuneration Report to a vote of Shareholders. The Annual Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors, the Managing Director and other Key Management Personnel.

The Annual Report is available on the Company's website at www.northernminerals.com.au

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders. However, in addition, the Corporations Act provides that if the Company's Remuneration Report Resolution receives a 'no' vote of 25% or more of votes cast at the Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a 'two strikes' re-election process. Under the 'two strikes' re-election process, if the Company's Remuneration Report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, 'two strikes'), a resolution (the 'spill resolution') must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the 'spill meeting') to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the 'spill meeting' must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

Further information will be provided on the 'spill resolution' and 'spill meeting' for any annual general meeting at which the Company may face a 'second strike'. The Company's 2017 Remuneration Report was passed by more than 75% of the votes cast.

The remuneration levels for Directors, officers and senior managers are competitively set to attract and retain appropriate Directors and Key Management Personnel. The chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

RESOLUTION 2 – RE-ELECTION OF MR COLIN MCCAVANA

In accordance with Listing Rule 14.4 and rule 5.1 of the Company's Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office 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 such Directors have been in office for an equal length of time, by drawing lots or by agreement.

Accordingly, Mr Colin McCavana is required to retire by rotation at the AGM, and being eligible, offers himself for re-election as a Director.

Mr McCavana has served on the Board since 2006 and was re-elected at the 2007, 2009, 2012 and 2015 annual general meetings of the Company. He was appointed as Non-executive Chairman on 9 March 2017 and is a member of the remuneration and nomination committee.

Mr McCavana has more than 30 years of management experience worldwide in the earthworks, construction and mining industries. Much of this has been related to acquisition, development and operation of mining and mineral recovery projects. He is a Fellow of the Australian Institute of Company Directors. Mr McCavana has served as a director of ASX-listed Reward Minerals Limited (ASX:RWD) since February 2010.

The Board considers that Mr McCavana qualifies as an independent Director.

The Board (except Mr Colin McCavana) unanimously recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF MR MING LU

Resolution 3 seeks the election of Mr Ming Lu as a Non-Executive Director. Mr Lu was appointed as a Non-Executive Director by the Directors on 24 October 2018 under rule 8.1 of the Company's Constitution, following the resignation of Mr Nan Yang.

Mr Lu is required to retire in accordance with rule 8.2 of the Company's Constitution. Rule 8.2 provides that a Director appointed under rule 8.1 must retire at the first annual general meeting of the Company following the Director's appointment. A Director who retires under rule 8.2 is eligible to be re-appointed at that meeting.

Mr Ming Lu is a CPA qualified senior finance leader with over a decade of commercial experience in successful multinational businesses worldwide, and is a member of Australian Institute of Company Directors.

Mr Ming Lu has extensive experience in working with investors, boards and senior executive teams in modelling, strategic planning, providing financial support and delivering returns.

Throughout his career as a finance professional, he has had hands on experience in leading finance functions in multinational businesses worldwide. Mr Lu has versatile industry experience in manufacturing, engineering and R&D, education, mining services and private equity. Mr Lu has a diverse corporate background spanning privately owned SMEs, private equity backed ventures to listed public listed companies and Fortune 500s.

Mr Lu is a nominee of Huatai Mining Pty Ltd (ACN 163 062 164) (**Huatai**). Huatai is the registered holder of 169,658,920 ordinary shares in the Company, holding approximately 14.40% of the Company's issued capital, and is the Company's second largest Shareholder. Therefore, if elected, the Board considers that Mr Lu will not qualify as an independent Director.

The Board (except Mr Ming Lu) unanimously recommends that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 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, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the date of the Notice of Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

This Resolution seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the Additional 10% Placement Period (as defined in section (c) below).

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to the description in this Explanatory Memorandum below).

The Company is seeking approval to issue securities under the Additional 10% Placement Facility as it provides additional flexibility and capacity to the fund raising alternatives that would otherwise normally be available to the Company.

Regulatory requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) Minimum issue price

Any Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of the Notice of Meeting, the Company has on issue one class of Equity Securities quoted on ASX, being Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the VWAMP for securities in the same class calculated over the 15 trading days on which trades in that class were conducted 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) Dilution

As at the date of the Notice of Meeting, the Company has 1,178,157,661 Shares on issue and variable "A" for the purposes of Listing Rule 7.1, 7.1A and the examples set out in the table below, is 117,815,766 Shares.

The precise 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 following formula:

(A x 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 Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the Company'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.

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not participate in the issue.

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

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		
		50% decrease in issue price	Issue price	50% increase in issue price
		\$0.039	\$0.078	\$0.117
Current Variable A	Voting Dilution	9.09%	9.09%	9.09%
1,178,157,661	Number of Shares	117,815,766	117,815,766	117,815,766
	Funds raised (\$)	\$4,594,815	\$9,189,630	\$13,784,445
50% increase in current Variable A	Voting Dilution	9.09%	9.09%	9.09%
1,767,236,491	Number of Shares	176,723,649	176,723,649	176,723,649
	Funds raised (\$)	\$6,892,222	\$13,784,445	\$20,676,667
100% increase in current Variable A	Voting Dilution	9.09%	9.09%	9.09%
2,356,315,322	Number of Shares	235,631,532	235,631,532	235,631,532
	Funds raised (\$)	\$9,189,630	\$18,379,259	\$27,568,889

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options (including any Options issued under the Additional 10% Placement Facility) and no Performance Rights are exercised into Shares before the date of issue of the Equity Securities.
3. In each case, an issue of the maximum number of Shares under the Additional 10% Placement Facility would dilute the Shareholders as at the date immediately prior to the issue by up to 9.09%. For example, based on the current number of Shares on issue, an issue of the maximum 10% available would mean that existing Shareholders would have 1,178,157,661 votes out of a

total post-issue number of 1,295,973,427 Shares, representing 90.91% of the post-issue total number of Shares (or a dilution of 9.09%).

4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. 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.
6. The issue of Equity Securities under the Additional 10% Placement Facility consists only of Shares.
7. The issue price variable is 7.8 cents, being the closing price of the Shares on ASX on 22 October 2018.
8. The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

(c) Issue period

If Shareholders approve this Resolution, the Company will have approval to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

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

The Company will only issue Equity Securities during the Additional 10% Placement Period.

(d) Purpose of issues

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

- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards development of the Company's Browns Range Pilot Plant, acquisition of new assets or investments (including expense associated with such acquisition), continued exploration at the Browns Range, John Galt and Boulder Ridge projects, scoping and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 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 issues 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 the Notice of Meeting 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 resource assets or investments, the allottees under the 10% Placement Facility may be the vendors of the new resource assets or investments.

(f) Previous issues of Equity Securities under Listing Rule 7.1A

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2017. The Company has issued 46,230,769 Equity Securities under that Shareholder approval.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of the Notice of Meeting is 437,587,934 Equity Securities (excluding Shares which were issued on exercise of Performance Rights) representing a 50.7% increase on the number 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 the Meeting:

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
1.	27 - 29 Dec 17	Sophisticated and professional investors	50,230,771 fully paid ordinary shares	\$0.078 17% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$3,918,000 Funds were spent on the development of the Browns Range Project and project enhancement initiatives.
2.	27 Dec 17	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	3,551,136 fully paid ordinary shares	\$0.078 17% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$262,784. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
3.	28 Dec 17	Citicorp Nominees Pty Limited as nominee for Lind Asset Management	10,000,000 fully paid ordinary shares	\$0.078 17% discount to closing market price on date of	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$740,000. The Company did not raise any funds

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
		X, LLC		issue		through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement
4.	27 Dec 17	Sinosteel	4,000,000 fully paid ordinary shares	Nil	Ordinary shares. As for existing class of quoted securities	Nil amount raised. The Company did not raise any funds through the issues of the Shares as those Shares were issued as a performance bonus in relation to the EPC Contract. Value as at 22/10/18 is \$312,000 based on Company's share price on that date.
5.	27 - 29 Dec 17	Sophisticated and professional investors	5,023,076 options	Nil	Options exercisable at 12 cents by 31 December 2019	Nil amount raised. Value as at 22/10/18 (using Black Scholes pricing model) is \$50,231.
6.	28 Dec 17	Lind Asset Management X, LLC	30,000,000 options	Nil	Options exercisable at 12 cents by 31 December 2019	Nil amount raised. Value as at 22/10/18 (using Black Scholes pricing model) is \$300,000.
7.	19 Jan 18	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	4,006,410 fully paid ordinary shares	\$0.078 14.3% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$296,474. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
8.	22 Jan 18	Board and Management	5,700,000 fully paid ordinary shares	Nil	Ordinary shares. As for existing class of quoted	Nil amount raised (exercise of performance rights). Value as at 22/10/18 is \$444,600 based on

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
					securities	Company's share price on that date.
9.	23 Jan 18	Sophisticated and professional investors	27,564,102 fully paid ordinary shares	\$0.078 15.2% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$2,150,000 The funds were spent on the Company's exploration and development work, including development of the Browns Range Project.
10.	14 Feb 18	Existing shareholders who participated in the share purchase plan	150,324,057 fully paid ordinary shares	\$0.078 11.4% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$11,725,276 The funds were spent on the on the development and project enhancement initiatives of the Browns Range Project.
11.	14 Feb 2018	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	7,073,046 fully paid ordinary shares	\$0.081 8.0% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$523,405. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
12.	14 and 15 Feb 18	Sophisticated and professional investors	18,666,667 fully paid ordinary shares	\$0.078 11.4% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$1,456,000 The funds were spent on the on the development and project enhancement initiatives of the Browns Range Project.
13.	6 Mar 18	Sophisticated and professional investors	12,820,513 fully paid ordinary shares	\$0.078 2.5% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$1,000,000 Funds were spent on the development of the Browns Range Project and project enhancement initiatives.
14.	21 Mar 18	Citicorp	7,848,174 fully paid	\$0.073	Ordinary	Value based on

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
		Nominees Pty Limited as nominee for Lind Asset Management X, LLC	ordinary shares	14.1% discount to closing market price on date of issue	shares. As for existing class of quoted securities	closing share price as at 29/10/2018 is \$580,765. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
15.	20 Jun 18	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	7,638,889 fully paid ordinary shares	\$0.075 13.8% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/2018 is \$565,278. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
16.	20 Jun 18	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	7,440,447 fully paid ordinary shares	\$0.077 11.5% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$550,593. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
17.	31 Jul 18	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	7,440,447 fully paid ordinary shares	\$0.077 22.2% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$550,593. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
18.	31 Jul 18	Sophisticated and professional investors	38,461,538 fully paid ordinary shares	\$0.078 21.2% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	\$3,000,000 The funds raised were used to repay monies owing to Sinosteel.
19.	21 Sept 18	Lind Asset Management X, LLC	2 convertible notes (maximum number of ordinary shares that may be issued in relation to the conversion of the convertible notes is 25,000,000).	\$1,250,000 per convertible note	Convertible notes each have a face value of \$1,250,000 and a 30 month term. The convertible notes are repayable in accordance with the terms of the Funding Agreement	\$2,500,000. The funds were spent on the development and project enhancement initiatives of the Browns Range Project.
20.	Issue was expected to occur on 15 October 2018 but has been delayed. It is expected that the issue will take place prior to the date of the Meeting.	NRE Industrial Group Limited	11,111,111 fully paid ordinary shares	\$0.09 21.6% premium to closing market price of \$0.074 as at 29 October 2018.	Ordinary shares. As for existing class of quoted securities	\$1,000,000. The funds are intended to be spent on the development and project enhancement initiatives of the Browns Range Project.
21.	16 Oct 18	Citicorp Nominees Pty Limited as nominee for Lind Asset Management X, LLC	17,424,876 fully paid ordinary shares (of which 16,026,426 shares are the subject of Resolution 13)	\$0.0715 10.6% discount to closing market price on date of issue	Ordinary shares. As for existing class of quoted securities	Value based on closing share price as at 29/10/18 is \$1,289,441. The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts owing under the Funding Agreement.
22.	Expected to be on or around 31	NRE Industrial Group Limited	11,111,111 fully paid ordinary	\$0.09 21.6%	Ordinary shares. As for existing	\$1,000,000. The funds are

	Date	Allottee	Number and class of Equity Security	Price (and discount if applicable)	Key Terms	Amount Raised / Consideration Value
	October 2018		shares	premium to closing market price of \$0.074 as at 29 October 2018.	class of quoted securities	intended to be spent on the development and project enhancement initiatives of the Browns Range Project.
23.	Expected to be on or around 31 October 2018	Mr Jingmei Wang (or his nominee)	22,222,222 fully paid ordinary shares	\$0.09 21.6% premium to closing market price of \$0.074 as at 29 October 2018.	Ordinary shares. As for existing class of quoted securities	\$2,000,000. The funds are intended to be spent on the development and project enhancement initiatives of the Browns Range Project.

(g) Voting exclusion statement

A voting exclusion statement for this Resolution is included in the Notice of Meeting accompanying this Explanatory Memorandum. At the date of the Notice of Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders 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 of Meeting.

Board recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution.

RESOLUTION 5 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO SOPHISTICATED INVESTORS

On 31 July 2018, the Company issued 38,461,538 Shares at \$0.078 per Share to sophisticated investors without disclosure under the exceptions provided in section 708 of the Corporations Act to raise \$3,000,000 (before costs).

Listing Rule 7.1 restricts the number of Equity Securities a company may issue (or agree to issue) in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the commencement of that 12 month period (subject to specified exceptions).

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under this Resolution, the Company seeks from Shareholders approval for, and ratification of, the issue of the 38,461,538 Shares under Listing Rule 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- (a) 38,461,538 Shares were issued in total.
- (b) The issue price for the Shares was \$0.078 per Share.
- (c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Shares were issued to sophisticated investors without disclosure under the exceptions provided in section 708 of the Corporations Act under a placement carried out by the Company.
- (e) The Company raised \$3,000,000 (before costs) from the issue of Shares and the funds were used to pay monies owing to Sinosteel Equipment & Engineering Co. Ltd (**Sinosteel**) under the engineering, procurement and construction agreement entered into between Sinosteel and the Company for the construction of the Company's pilot plant at its Browns Range Project.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

A voting exclusion applies to Resolution 5 in the terms set out in the Notice of Meeting.

RESOLUTION 6 – RATIFICATION OF PREVIOUS ISSUE OF CONVERTIBLE NOTES TO LIND ASSET MANAGEMENT X, LLC

On 21 September 2018, the Company issued 2 convertible notes (convertible into a maximum of 25,000,000 Shares) each with a face value of \$1.25 million and a term of 30 months, under the funding agreement entered into between the Company and Lind Asset Management X, LLC (**Lind**) that was announced to ASX on 14 June 2017 (as amended from time to time) (**Funding Agreement**).

The 2 convertible notes were issued in relation to a \$2 million drawdown under the Funding Agreement as announced on 30 August 2018 and are repayable in accordance with the Funding Agreement. A summary of the repayment metrics of the convertible notes is set out in the Company's announcement released to ASX on 23 April 2018.

The net amount received by the Company from Lind in relation to the issue of the convertible notes and the \$2 million drawdown is \$1.95 million, after the deduction of commitment fees payable to Lind in relation to the drawdown that were offset against the funds advanced to the Company.

The maximum number of Shares that may be issued to Lind (or its nominee) in relation to conversions of the convertible notes is 25,000,000 Shares, or such higher number as approved by Shareholders in relation to those convertible notes. This cap applies notwithstanding any other provision of the Funding Agreement.

If the amount of Shares to be issued to Lind would exceed this cap, the Company must issue the relevant Shares to Lind up to the cap and subject to any Shareholder approval being obtained to issue Shares above the cap, pay to Lind in immediately available funds an amount equal to the number of Shares that exceeded the cap for that conversion, multiplied by the applicable conversion price plus 2.5% of that amount.

Please refer to the Explanatory Memorandum for Resolution 5 for information about Listing Rules 7.1 and 7.4.

Under this Resolution, the Company seeks approval from Shareholders for, and ratification of, the issue of the 2 convertible notes to Lind (convertible into a maximum of 25,000,000 Shares) under Listing Rule 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- (a) 2 convertible notes were issued to Lind (convertible into a maximum of 25,000,000 Shares).
- (b) Each convertible note has a face value of \$1.25 million.
- (c) The key terms of the convertible notes are set out above and in the Company's announcements dated 23 April 2018 and 30 August 2018. Additional terms of the convertible notes are set out in Annexure 1.

- (d) The convertible notes were issued to Lind. The Shares to be issued on conversion of the convertible notes may be issued to Lind (or its nominee).
- (e) The Company raised \$1.95 million through the issue of the convertible notes (as detailed above). The funds raised will be applied to progress development of the Company's Browns Range Heavy Rare Earth Pilot Plant Project, and for working capital purposes.

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

A voting exclusion applies to Resolution 6 in the terms set out in the Notice of Meeting.

RESOLUTION 7 – ISSUE OF SHARES TO LIND ASSET MANAGEMENT X, LLC

The Company refers to the Funding Agreement referred to in the Explanatory Memorandum for Resolution 6 and to its announcement dated 23 April 2018.

This Resolution relates to the 6 convertible notes issued to Lind in relation to the \$11 million drawdown under the Funding Agreement (and not to the 2 convertible notes the subject of Resolution 6 in relation to the further \$2 million drawdown).

These 6 convertible notes were not issued with a maximum number of Shares concept applied to them (or a floor price limiting the issue price on conversion) and accordingly, the Company is seeking the prior approval of Shareholders for the issue of Shares to Lind (or its nominee) to satisfy upcoming conversions in relation to these convertible notes to preserve its placement capacity under Listing Rule 7.1 (to the extent possible). See the Company's announcement dated 23 April 2018 for further information.

For the duration of the term of these 6 convertible notes (being 30 months from the date each note was issued), the Company will be required to repay the face value of each amount drawn down under the Funding Agreement by issuing Shares up to that amount, or in cash, in accordance with the terms of the Funding Agreement.

Listing Rule 7.1 restricts the number of Equity Securities a company may issue (or agree to issue) in any 12 month period without shareholder approval to 15% of the number of ordinary securities on issue at the commencement of that 12 month period (subject to specified exceptions). If approval is obtained under Listing Rule 7.1 for an issue of Shares, those Shares must be issued within 3 months of the date of that approval (unless a waiver from ASX is obtained).

The Company anticipates that over the next 3 months, it may be required to issue up to 25 million Shares to Lind (or its nominee) under the Funding Agreement to satisfy its repayment obligations in relation to these notes.

Accordingly, under this Resolution, the Company seeks Shareholder approval for the issue of up to 25 million Shares to Lind (or its nominee) so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Given the longer term nature of the Funding Agreement, the Company may seek similar approvals from Shareholders at future general meetings (if required).

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution:

- (a) Up to 25 million Shares may be issued.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting and will be issued as and when required during that period in accordance with the terms of the Funding Agreement.
- (c) The Shares will be issued at a price determined under the Funding Agreement. Shares will only be issued under this Resolution if their issue price as calculated under the Funding Agreement is at least 80% of the VWAMP for Shares calculated over the last 5 days on which sales in Shares were recorded before the day on which the issue is made. If the issue price as calculated under

the Funding Agreement is less than that minimum price, the Shares will still be issued (to the extent the Company has placement capacity available) but will not fall within the approval under this Resolution. For example, if the 5 day VWAMP for Shares is \$0.089 but the issue price as calculated under the Funding Agreement is \$0.08, then the Shares will be issued pursuant to the approval sought under this Resolution. However, if the issue price as calculated under the Funding Agreement is \$0.07, then the Company will still issue the Shares (to the extent it has placement capacity available) but the issue will not fall within the approval sought under this Resolution. If the Company does not have any placement capacity available to issue the relevant Shares, the repayment obligation will be settled in cash. If 5,000,000 Shares are issued under this Resolution, Shareholders will be diluted by approximately 0.4% (based on the number of Shares on issue as at the date of this Notice). If 25,000,000 Shares are issued under this Resolution (which is the maximum amount that could be issued), Shareholders will be diluted by approximately 2.1% (based on the number of Shares on issue as at the date of this Notice).

- (d) The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (e) The Shares will be issued to Lind (or its nominee).
- (f) The Company will not raise any funds through the issue of the Shares, but the issue will satisfy obligations of the Company to repay amounts drawn down under the Funding Agreement.

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

A voting exclusion applies to Resolution 7 in the terms set out in the Notice of Meeting.

RESOLUTION 8 – ISSUE OF OPTIONS TO LIND ASSET MANAGEMENT X, LLC

The Company is seeking Shareholder approval for the issue of 10,000,000 Options to Lind (or its nominee) under the Funding Agreement, each with an exercise price of \$0.125 and with an expiry date of 36 months from the date that the Options are issued.

Information about the Funding Agreement is set out in the Explanatory Memorandum for Resolution 6. The issue of the 10,000,000 Options to Lind is in relation to the \$2 million drawdown under the Funding Agreement as announced to ASX on 30 August 2018.

Please refer to the Explanatory Memorandum for Resolution 5 for information about Listing Rule 7.1.

Accordingly, the Company is seeking approval for the issue of 10,000,000 Options to Lind (or its nominee) so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.3 requires the following specific information to be provided:

- (a) 10,000,000 Options will be issued.
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and will be issued in full (not progressively).
- (c) The Options will be issued as partial consideration for the \$2 million drawdown of funds by the Company under the Funding Agreement as announced to ASX on 30 August 2018.
- (d) The Options will have an exercise price of \$0.125 per Option and an expiry date of 36 months from the date that the Options are issued and will otherwise be issued on the terms set out in Annexure 2 of this Notice.
- (e) The Options will be issued to Lind (or its nominee).
- (f) The Company will not raise any funds from the issue of the Options specifically, but the issue of the Options is in partial consideration for the \$2 million drawdown of funds by the Company under the Funding Agreement as announced to ASX on 30 August 2018. However, if all Options are exercised, the Company will raise \$1.25 million (before costs) which will be used to support the Company's project activities and for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

A voting exclusion applies to Resolution 8 in the terms set out in the Notice of Meeting.

RESOLUTION 9 – APPROVAL TO PAY TERMINATION BENEFITS UNDER LISTING RULE 10.19

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

At the annual general meeting of the Company held on 30 November 2016, approval was given for certain Directors to be granted four tranches of Performance Rights. However, approval was not sought specifically for the purposes of Listing Rule 10.19 in relation to the termination benefits that attach to those rights.

Details relating to the issue of these Performance Rights and the terms of the Performance Rights are set out in the Company's notice of meeting announced to the ASX on 31 October 2016.

Specifically, the terms of each tranche of Performance Rights provide that if the Director's office is terminated, the Director is retrenched from his or her office as Director or the Director dies while in office as Director, then all Performance Rights vest immediately upon the date of termination retrenchment or death. This does not apply if the Director resigns from office.

The value of each tranche of Performance Rights granted to George Bauk, Colin McCavana, Adrian Griffin, Yanchun Wang and Bin Cai as at the date they were valued is summarised below.

An indicative valuation for the T1 Performance Rights, T2 Performance Rights, T3 Performance Rights and T4 Performance Rights as at 14 October 2016 was calculated in accordance with the principles of AASB 2 and, based on certain assumptions, was determined to be as follows:

Performance Rights	Value per Performance Right
T1 Performance Right	\$0.145
T2 Performance Right	\$0.145
T3 Performance Right	\$0.145
T4 Performance Right	\$0.145

The valuation took into account the following matters:

- The valuation of Performance Rights assumed that the exercise of a right does not affect the value of the underlying asset.
- Under AASB 2 'Share Based Payments' and option valuation theory, no discount was made to the fundamental value for unlisted rights over listed Shares.
- The performance conditions determine the number of Performance Rights to be issued; they do not have an effect on the value of each Performance Right.
- Given that the Performance Rights were issued for no consideration, the value of the Performance Rights is reflected in the underlying Share price at the valuation date (14 October 2016).

Based on the above valuation, the total value of the number of Performance Rights granted to each Director was as follows:

Director	Value of Performance Rights
George Bauk	\$725,000
Colin McCavana	\$362,500
Adrian Griffin	\$362,500
Yanchun Wang	\$362,500
Bin Cai	\$362,500

The Company confirms that out of the four tranches of Performance Rights that were granted to the Directors listed above, only the Tranche 2, Tranche 3 and Tranche 4 Performance Rights are on issue. The Tranche 1 Performance Rights have all been exercised.

The value of the termination benefits payable to each Director at the relevant time depends on a number of factors (including the underlying price of the Company's Shares). It also depends on the value of the Company's equity interests, which vary over time. Accordingly, it is possible that the provision of the benefits associated with the vesting of the Performance Rights will exceed 5% of the equity interests of the Company at the relevant time.

The Company is seeking Shareholder approval for the purposes of Listing Rule 10.19 in relation to the termination benefits specified above, to the extent that such benefits become payable.

The Company will comply with Listing Rule 10.19 at the time a Director resigns from office or on payment of any termination benefit.

The Board does not make a recommendation to Shareholders in relation to Resolution 9.

A voting exclusion applies to Resolution 9 in the terms set out in the Notice of Meeting.

BACKGROUND TO RESOLUTIONS 10, 11 AND 12

The Company refers to its announcement dated 15 October 2018 in relation to the \$25 million subscription agreement (**NRE Subscription Agreement**) entered into between the Company and NRE Industrial Group Limited (**NRE**).

As set out in the Company's announcement, the \$25 million subscription amount is comprised of four tranches, as detailed below:

Tranche	Subscription Shares	Issue Price per Share	Subscription Amount	Completion Date
Tranche 1	11,111,111	\$0.09	\$1,000,000	15 October 2018 (Note: these Shares have not yet been issued, but are expected to be issued prior to the Meeting)
Tranche 2	11,111,111	\$0.09	\$1,000,000	31 October 2018
Tranche 3	100,000,000	\$0.10	\$10,000,000	30 November 2018
Tranche 4	118,181,818	\$0.11	\$13,000,000	31 December 2018
Total	240,404,040		\$25,000,000	

The Tranche 1 Shares have been issued and the Company raised \$1 million (before costs) in relation to Tranche 1. The Tranche 2 Shares are due to be issued on 31 October 2018.

The Tranche 3 and Tranche 4 will be issued subject to obtaining Shareholder approval and the satisfaction of a number of other conditions precedent (as described in the Announcement).

RESOLUTION 10 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 1

Please refer to the “Background to Resolutions 10, 11 and 12” above and the Explanatory Memorandum for Resolution 5 for information about Listing Rules 7.1 and 7.4.

Under this Resolution, the Company seeks Shareholders approval for, and ratification of, the issue of 11,111,111 Shares to NRE or its nominee under Tranche 1 of the NRE Subscription Agreement under Listing Rule 7.1 to the extent that such Shares are issued between the date of this Notice and the date of the Meeting so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- 11,111,111 Shares will be issued to NRE or its nominee under Tranche 1 of the NRE Subscription Agreement.
- The issue price for the Shares was \$0.09 per Share.
- The Shares will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares.
- To the extent that such Shares are issued before the date of the Meeting, the Shares will have been issued under the NRE Subscription Agreement to NRE or its nominee.
- To the extent that such Shares are issued before the date of the Meeting, the Company will raise \$1,000,000 (before costs) from the issue of the Shares and such funds will be used to progress development of the Company’s Browns Range Heavy Rare Earth Pilot Plant Project, to accelerate the Company’s enhancement initiatives for Browns Range, for exploration efforts at Browns Range and for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 10.

A voting exclusion applies to Resolution 10 in the terms set out in the Notice of Meeting.

RESOLUTION 11 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 2

Please refer to the “Background to Resolutions 10, 11 and 12” above and the Explanatory Memorandum for Resolution 5 for information about Listing Rules 7.1 and 7.4.

Under this Resolution, the Company seeks Shareholder approval for, and ratification of, the issue of 11,111,111 Shares to NRE's nominee under Tranche 2 of the NRE Subscription Agreement, under Listing Rule 7.1 to the extent that such Shares are issued between the date of this Notice and the date of the Meeting so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- (a) 11,111,111 Shares will be issued to NRE or its nominee under Tranche 2 of the NRE Subscription Agreement.
- (b) The issue price for the Shares will be \$0.09 per Share.
- (c) The Shares will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) To the extent that such Shares are issued before the date of the Meeting, the Shares will have been issued under the NRE Subscription Agreement to NRE or its nominee.
- (e) To the extent that such Shares are issued before the date of the Meeting, the Company will raise \$1,000,000 (before costs) from the issue of Shares and such funds will be used to progress development of the Company's Browns Range Heavy Rare Earth Pilot Plant Project, to accelerate the Company's enhancement initiatives for Browns Range, for exploration efforts at Browns Range and for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

A voting exclusion applies to Resolution 11 in the terms set out in the Notice of Meeting.

RESOLUTION 12 – ISSUE OF SHARES TO NRE INDUSTRIAL GROUP LIMITED – TRANCHE 3 AND TRANCHE 4

Please refer to the “Background to Resolutions 10, 11 and 12” above and the Explanatory Memorandum for Resolution 5 for information about Listing Rule 7.1.

Under this Resolution, the Company seeks Shareholder approval for the issue of up to 218,181,818 Shares to NRE (or its nominee) under Tranche 3 and Tranche 4 of the NRE Funding Agreement so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.3 requires the following information to be provided in relation to this Resolution:

- (a) Up to 218,181,818 Shares may be issued.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting and will be issued as and when required during that period in accordance with the terms of the Funding Agreement.
- (c) 100,000,000 Shares will be issued at \$0.10 under Tranche 3 of the NRE Subscription Agreement and 118,181,818 Shares will be issued at \$0.11 under Tranche 4 of the NRE Subscription Agreement.
- (d) The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (e) The Shares will be issued to NRE (or its nominee).
- (f) The Company will raise a total of \$23 million (before costs) through the issue of the Shares under Tranche 3 and Tranche 4 and such funds will be used to progress development of the

Company's Browns Range Heavy Rare Earth Pilot Plant Project, to accelerate the Company's enhancement initiatives for Browns Range, for exploration efforts at Browns Range and for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 12.

A voting exclusion applies to Resolution 12 in the terms set out in the Notice of Meeting.

RESOLUTION 13 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO LIND ASSET MANAGEMENT X, LLC

The Company refers to the Funding Agreement referred to in the Explanatory Memorandum for Resolution 6 and to its announcement dated 23 April 2018. Please also refer to Explanatory Memorandum for Resolution 5 for information Listing Rules 7.1 and 7.4.

This Resolution relates to the ratification of the issue of Shares in relation to repayment obligations under the 6 convertible notes issued to Lind in relation to the \$11 million drawdown under the Funding Agreement (and not to the 2 convertible notes the subject of Resolution 6 in relation to the further \$2 million drawdown).

In relation to the convertible notes referred to above, the Company has issued a total of 16,026,426 Shares to Citicorp Nominees Pty Limited (as nominee for Lind) in accordance with the Funding Agreement.

Under this Resolution, the Company seeks Shareholder approval for, and ratification of, the issue of Shares to Lind under Listing Rule 7.1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- (a) 16,026,426 Shares were issued in total.
- (b) The issue prices for the Shares was \$0.715 per Share.
- (c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares.
- (d) The Shares were issued to Citicorp Nominees Pty Limited (as nominee for Lind).
- (e) The Company did not raise any funds through the issue of the Shares as those Shares were issued for the purposes of repaying amounts advanced to the Company under the Funding Agreement.

The Board unanimously recommends that Shareholders vote in favour of Resolution 13.

A voting exclusion applies to Resolution 13 in the terms set out in the Notice of Meeting.

RESOLUTION 14 – RATIFICATION OF PREVIOUS ISSUE OF SHARES TO MS JINGMEI WANG

Please refer to the Company's announcement dated 15 October 2018 in relation to the \$2 million subscription agreement entered into with a sophisticated investor and to Resolution 5 for information about Listing Rules 7.1 and 7.4.

As stated in the Company's announcement, the subscription funds of \$2 million are to be received by the Company by 31 October 2018 which will result in the issue of 22,222,222 Shares at an issue price of \$0.09 per Share.

Under this Resolution, the Company seeks Shareholder approval for, and ratification of, the issue of 22,222,222 Shares under the subscription agreement referred to above, under Listing Rule 7.1 to the extent that such Shares are issued between the date of this Notice and the date of the Meeting so as

to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities by the Company in the next 12 months.

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

- (a) 22,222,222 Shares will be issued.
- (b) The issue price for the Shares will be \$0.09 per Share.
- (c) The Shares will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) To the extent that such Shares are issued before the date of the Meeting, the Shares will have been issued under the subscription agreement referred to above to Ms Jingmei Wang (a sophisticated investor) or her nominee.
- (e) To the extent that such Shares are issued before the date of the Meeting, the Company will raise \$2,000,000 (before costs) from the issue of Shares and such funds will be used to progress development of the Company's Browns Range Heavy Rare Earth Pilot Plant Project, to accelerate the Company's enhancement initiatives for Browns Range, for exploration efforts at Browns Range and for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 14.

A voting exclusion applies to Resolution 14 in the terms set out in the Notice of Meeting.

Annexure 1 – Summary of Additional Terms and Conditions of Convertible Notes

- The Shares issued on conversion shall rank equally in all respects with the existing Shares on the date of issue of the Shares.
- Shares issued on conversion shall be credited as fully paid.
- Shares issued on conversion shall be issued free and clear of any liens.
- The right of Lind to be issued Shares on conversion shall not confer on Lind any entitlement to receive dividends or vote at a general meeting of Shareholders of the Company.
- On each date specified by Lind in its sole discretion, Lind may provide the Company no less than one (1) business day's prior notice requiring the Company to effect a conversion of each convertible note.
- Each convertible note will constitute direct, general, and unconditional obligations of the Company and the Company represents and warrants that, at the date of the Funding Agreement and for the period while there is any amount outstanding, each convertible note will rank senior to all other unsecured subordinated obligations of the Company and any of its subsidiaries including any of the Company's outstanding unsecured bank debt (if any), other than senior debt.
- The Company must use its best efforts, and execute all documents that are necessary to be executed (including execution of each Appendix 3B required for the issue of Shares), so as to obtain quotation of each parcel of the Shares on the ASX no later than on the business day immediately after the day of the issuance of such parcel.
- Lind shall, on behalf of the Company, as the Company's attorney, maintain the register of convertible notes during the term of the Funding Agreement. Lind shall provide a copy of the register to the Company upon request of the Company.
- From the date of execution of the Funding Agreement until the date that Lind receives repayment of all amounts outstanding, the Company must not effect, or enter into an agreement to effect, any Prohibited Transaction. "Prohibited Transaction" means a transaction with a third party or third parties, in which the Company issues or sells (or arranges or agrees to issue or sell, or procures the issue or sale of):
 - any debt, equity or equity-linked securities (including Options) that are convertible into, exchangeable or exercisable for, or include the right to receive Shares or other Equity Securities:
 - at a conversion, repayment, exercise or exchange rate or other price that is based on, and/or varies with, the trading prices of, or quotations for, the Shares; or
 - at a conversion, repayment, exercise or exchange rate or other price that is subject to being reset at some future date after the initial issuance of such debt, equity or equity-linked security or upon the occurrence of specified or contingent events; or
 - any securities in a capital or debt raising transaction or series of related transactions which grant to an investor the right to receive additional securities based upon future transactions of the Company on terms more favourable than those granted to such investor in such first transaction or series of related transactions,

and are deemed to include transactions generally referred to as equity lines of credit and stand-by equity distribution agreements, ATM (at-the-market) facilities for future equity issuances, equity swaps, and convertible securities and loans having a similar effect. For the avoidance of doubt, any rights issuance, shareholder purchase plan, employee share ownership plan convertible security, or equity issuance, each at a fixed price per Share, shall not be deemed to be a Prohibited Transaction.

- No later than three (3) business days after the time when the ASX grants quotation of the Shares, the Company must provide Lind with documentary evidence of the ASX having granted such quotation.
- In its sole discretion and provided there has been no event of default, the Company may buy-back the outstanding balance of a convertible note (being the amount outstanding for the convertible note) at any time during the term of a convertible note in accordance with the Funding Agreement, subject to paying the amount outstanding multiplied by (100% plus the a premium as calculated in accordance with the Funding Agreement) in immediately available funds to Lind in accordance with the procedure set out in the Funding Agreement.
- If the Company or any of its subsidiaries wishes to arrange to obtain (or arranges to obtain) any debt funding or other financial accommodation (including without limitation by the issue of a convertible note, convertible security or similar instrument) of less than \$10 million (which ranks senior to (or parri passu) with the convertible notes) (**Additional Capital Raised**) (other than the senior debt):
 - the Company must notify Lind in writing about the legal and commercial arrangements relating to the Additional Capital Raised (in reasonable detail); and
 - at Lind's election, Lind may within two (2) business days of notice being received by Lind from the Company notify the Company:
 - whether it requires the Company to use up to 50% of the Additional Capital Raised to repay any amount outstanding of the convertible notes; or
 - whether the Company must exercise its buy-back rights using up to 50% of the proceeds of any Additional Capital Raised of a required amount.
- If the Company is unable to issue all of the required Shares the subject of a conversion as freely tradeable Shares, then Lind may by written notice require the Company to pay a cash amount to it equal to the number of Shares which would have been issued under the relevant conversion notice multiplied by the VWAP per Share on the date of issuance of the relevant conversion notice. Upon the Company receiving such a notice, the Company must pay the relevant amount to Lind in immediately available funds within 3 business days.
- If an issue of Shares to Lind would result in Lind acquiring a relevant interest in the Shares which would cause the Voting Power of Lind and its "Associates" (as defined in the Corporations Act) in the Company to exceed 19.99%, Lind may require the Company to pay a cash amount to it equal to the number of Shares which would have been issued to Lind multiplied by the VWAP per Share on the date the Shares were required to be issued by the Company. Lind may also require the Company to issue Shares up to the 19.99% Voting Power threshold while requiring the Company to pay a cash amount for the balance.

Annexure 2 – Option Terms

1.1 Nature of Options

- (a) Each Option shall grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the exercise price of \$0.125 (**Option Exercise Price**)
- (b) Each Option shall be exercisable by the Option holder complying with its obligations under the terms, at any time after the time of its grant, and prior to the date that is thirty-six (36) calendar months after the date they are granted (the **Option Expiration Date**) after which time it will lapse.

1.2 Exercise of Options

- (a) Without limiting the generality of, and subject to, the other provisions of the Funding Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form (the **Exercise Form**), to the Company during normal business hours on any business day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of Shares in respect of which the Options are being exercised at the time, by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any business day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than three (3) business days after receipt of a duly completed Exercise Form and the payment referred to in clause 1.2(a)(ii), the Company must cause its securities registrar to:
 - (i) issue and electronically deliver the Shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such Shares have been recorded in the Company's Share register.

1.3 Bonus Issues

If prior to an exercise of an Option, the Company makes an issue of Equity Securities by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan) pursuant to an offer of such Equity Securities to at least all the holders of Equity Securities resident in Australia, then on exercise of the Option, the number of Equity Securities over which an Option is exercisable shall be increased by the number of Equity Securities which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

1.4 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the Equity Securities to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Equity Securities shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to

the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the consolidation, subdivision or reconstruction); and

- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

1.5 Cumulative Adjustments

Full effect shall be given to the provisions of clauses 1.3 to 1.5 of the Funding Agreement, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Equity Securities already on issue.

1.6 Notice of Adjustments

Whenever the number of Shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to the Funding Agreement, the Company must give notice of the adjustment to all the Option holders, within three (3) business days.

1.7 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

1.8 Redemption

The Options shall not be redeemable by the Company.

1.9 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of chapter 6D of the Corporations Act and the applicable Law.

Shareholder Details

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

..... (Company),
Insert name of shareholder company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of Northern Minerals Limited to be held on Wednesday, 30 November 2018 commencing at 10 am (Perth Time) and at any adjournments of that meeting/all meetings of the members of Northern Minerals Limited.

DATED 2018

Please sign here

Executed by the Company)
in accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each company officer who signs this Certificate on behalf of the company.
4. Insert the date of execution where indicated.
5. Send or deliver the Certificate to the Northern Minerals Limited registered office at Level 1, 675 Murray Street, West Perth, Western Australia 6005 or fax to the registered office on (08) 9481 5929.

«EFT_REFERENCE_NUMBER»

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NORTHERN MINERALS LIMITED

ACN: 119 966 353

REGISTERED OFFICE:

LEVEL 1
675 MURRAY STREET
WEST PERTH WA 6005

+

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

NTU

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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 the Company to be held at 10:00am (Perth time) on Friday 30 November 2018 at Level 1, 675 Murray Street, West Perth, Western Australia 6005 and at any adjournment of that meeting.

Chairperson authorised to exercise proxies on remuneration related matters: Where I/we have appointed the Chairperson of the meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolutions 1 and 9 in accordance with his/her intentions as set out in the notice of meeting and this form (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 9 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairperson.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Adoption of Remuneration Report (Non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval to pay termination benefits under Listing Rule 10.19	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Colin McCavana	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Ratification of previous issue of Shares to NRE Industrial Group Limited - Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Mr Ming Lu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of previous issue of Shares to NRE Industrial Group Limited - Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Shares to NRE Industrial Group Limited - Tranche 3 and Tranche 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of previous issue of Shares to sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Ratification of previous issue of Shares to Lind Asset Management X, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of previous issue of convertible notes to Lind Asset Management X, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Ratification of previous issue of Shares to Ms Jingmei Wang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Shares to Lind Asset Management X, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8. Issue of Options to Lind Asset Management X, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am (Perth time) on Wednesday 28 November 2018.

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NTUPX1301118

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Name:

()

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.