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## CAZALY RESOURCES LIMITED

ACN 101 049 334

## NOTICE OF GENERAL MEETING

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**TIME:** 2.00pm (WST)

**DATE:** 6 June 2019

**PLACE:** Level 2  
38 Richardson Street  
WEST PERTH WA 6005

*This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6283.*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the General Meeting of the Shareholders convened by this Notice of Meeting will be held at 2.00pm (WST) on 6 June 2019 at:

Level 2  
38 Richardson Street  
WEST PERTH WA 6005

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**YOUR VOTE IS IMPORTANT**

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

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**ATTENDANCE AND VOTING ELIGIBILITY**

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For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm WST on 4 June 2019 will be taken, for the purposes of this General Meeting, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

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**VOTING IN PERSON**

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

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**VOTING BY PROXY**

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To vote by proxy, please complete and sign the Proxy Form enclosed (and the power of attorney or other authority (if any) under which it is signed (or a certified copy)) and either:

- (a) deliver the Proxy Form to the Company's registered office at Level 2, 38 Richardson Street, West Perth, Western Australia 6005;
- (b) send the Proxy Form by post to Cazaly Resources Limited, PO Box 396, West Perth, Western Australia 6872;
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9322 6398; or
- (d) email the Proxy Form to [mrobbins@cazalyresources.com.au](mailto:mrobbins@cazalyresources.com.au)

so that it is received not later than 2.00pm (WST) on 4 June 2019.

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

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders of Cazaly Resources Limited will be held at **Level 2, 38 Richardson Street, West Perth, Western Australia at 2.00pm (WST) on Thursday 6 June 2019.**

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum (including the Annexures) are defined in the Glossary unless defined elsewhere in the Explanatory Memorandum.

### AGENDA

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#### **RESOLUTION 1 – RATIFICATION OF THE ISSUE OF 2,452,459 SHARES TO NOMINEES OF ORACLE CAPITAL GROUP PTY LTD**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 2,452,459 Shares to nominees of Oracle Capital Group Pty Ltd, on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by the nominees of Oracle Capital Group Pty Ltd as set out in the Explanatory Memorandum or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

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#### **RESOLUTION 2 – RATIFICATION OF THE ISSUE OF 8,415,799 PLACEMENT SHARES UNDER LISTING RULE 7.1**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 8,415,799 Placement Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

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#### **RESOLUTION 3 – RATIFICATION OF THE ISSUE OF 20,584,201 PLACEMENT SHARES UNDER LISTING RULE 7.1A**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 20,584,201 Placement Shares to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

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#### **RESOLUTION 4 – RATIFICATION OF THE ISSUE OF 14,500,000 PLACEMENT OPTIONS UNDER LISTING RULE 7.1**

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 14,500,000 Placement Options to the persons, on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

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**RESOLUTION 5 – APPROVAL OF THE ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO A DIRECTOR, MR TERRY GARDINER**

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

*"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Placement Shares and 500,000 Placement Options, to Mr Terry Gardiner, a Director of the Company (and/or his nominee(s)) as set out, on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour on this Resolution by Mr Gardiner and his nominee(s) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair 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.

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**OTHER BUSINESS**

To deal with any business that may be lawfully brought forward.

## PROXIES

A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- a) appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- b) provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions of votes will be disregarded.

In order to vote on behalf of a company that is a Shareholder, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be posted or lodged at the registered office of the Company, at Level 2, 38 Richardson Street, West Perth WA 6005, or PO Box 396 West Perth WA 6872, or by facsimile to (61 8) 9322 6398, or by email to [mrobbins@cazalresources.com.au](mailto:mrobbins@cazalresources.com.au) not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

An instrument appointing a proxy:

- a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
- b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act; and
- e) which appoints the Chair as proxy but does not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions (subject to the other provisions of these notes on proxies and any required voting exclusions including those in the Notice) as this is the Chair's voting intention.

## Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to, the Company before the commencement of the Meeting. Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## Undirected and Directed Proxies

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution. The Company will not disregard any votes cast on a resolution by a person if the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy.

If you intend to appoint the Chair as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "for", "against" or "abstain" from voting), or you cannot mark any of the boxes and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of all Resolutions). In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair, who is required to vote proxies as directed.

## ***If you appoint any other person as your proxy***

You do not need to direct your proxy how to vote.

**It is the Chair's intention to vote all undirected proxies in favour of all Resolutions.**

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**DATED: 6 MAY 2019**  
**BY ORDER OF THE BOARD**  
**MIKE ROBBINS**  
**COMPANY SECRETARY**

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## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared for the information of shareholders of Cazaly Resources Limited in connection with the business specified to be conducted in the Notice of General Meeting at the General Meeting of Shareholders to be held at **Level 2, 38 Richardson Street, West Perth, Western Australia 6005 at 2.00pm (WST) on Thursday 6 June 2019.**

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

The Notice of Meeting, Explanatory Memorandum and Proxy Form are all important documents. The Directors recommend that Shareholders read them carefully in their entirety before making a decision on how to vote at the General Meeting.

A Glossary of terms frequently used in this Notice of Meeting and Explanatory Memorandum can be found at the end of this Explanatory Memorandum.

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### **1. RATIFICATION OF THE ISSUE OF 2,452,459 SHARES TO NOMINEES OF ORACLE CAPITAL GROUP PTY LTD (RESOLUTION 1)**

#### **1.1 General**

On 13 December 2018, the Company provided an update in relation to the 2017 Deed. As announced to the ASX in that announcement, the Company and Oracle agreed that the Company would repay the original notes and all accrued interest of the 2017 Deed.

Oracle, a Perth based portfolio management and corporate advisory firm, provided the Company with a new unsecured note facility of \$748,000 ('Deed') via the issue of 748,000 unsecured notes (each having a face value of one dollar (\$1.00)). The Company and Oracle each agreed and acknowledged that by entering into the Deed, any and all liabilities, amounts and obligations which are outstanding or owing by the Company in favour of Oracle and/or its nominees or any other any other person under the 2017 Deed are deemed to have been repaid, satisfied and extinguished in full and the Company is released and discharged from all of its liabilities, amounts and obligations under the 2017 Deed.

Under the terms of the Deed, Oracle and/or its nominees, were also entitled to 29,920,000 unquoted Company options exercisable at a price that is equal to 150% of the Share price calculated on the basis of 85% of the VWAP of the Shares on the ASX calculated over the 5 consecutive trading days which immediately precede the date of the Deed. These options were issued on 18 December 2018.

Under the new Deed, Oracle (or its nominees) was also entitled to a fee of up to \$44,880 (ex GST) which could be paid in Shares or cash.

Resolution 1 seeks ratification from Shareholders for the prior issue of 2,452,459 Shares to nominees of Oracle in lieu of payment in cash of the above fee. The Shares were issued on 18 December 2018.

#### **1.2 ASX Listing Rule 7.4**

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities. ASX Listing Rule 7.4 provides that the approval of holders of the company's ordinary securities may be obtained after the issue of Equity Securities. The effect of such ratification is to restore the company's discretionary power to issue further securities up to 15% of the number of fully paid ordinary securities on issue at the beginning of the relevant 12 month period without obtaining shareholder approval.

If Shareholders approve Resolution 1, the issue of 2,452,459 Shares will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

The following information is provided for the purpose of ASX Listing Rule 7.5.

*(a) Number of securities issued*

2,452,459 Shares

*(b) Issue price of securities*

Shares were issued in lieu of payment for services at a deemed issue price of \$0.0183.

(c) *Terms of the securities*

Shares were issued fully paid and rank pari passu in all respects with the Company's other Shares on issue.

(d) *The name of the persons to whom Cazaly issued the securities or the basis on which those persons were determined*

Oracle Securities Pty Ltd – 876,393 Shares, Crown Luggers Pty Ltd – 1,168,525 Shares, BT Global Holdings Pty Ltd – 245,246 Shares and Atlantic View Capital Ltd – 162,295 Shares

(e) *Use (or intended use) of funds raised*

No funds were raised by the issue as the Shares were issued in lieu of payment for services provided to the Company.

### **Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 1, as it ratifies the above issue of Shares and retains the Company's flexibility to issue further securities representing up to 15% of the Company's Share capital during the next 12 months.

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## **2. RATIFICATION OF THE ISSUE OF A TOTAL OF 29,000,000 PLACEMENT SHARES AND 14,500,000 PLACEMENT OPTIONS (RESOLUTIONS 2, 3 & 4)**

### **2.1 Background**

On 18 March 2019, the Company announced a placement of Shares via the issue of 30,000,000 Shares ('Placement Shares'), at an issue price of \$0.025 per Placement Share, to raise gross proceeds of \$750,000. One free attaching unquoted option (exercisable at \$0.05 on or before 31 March 2021) ('Placement Option') was also included on a one for two basis.

The announcement also stated that a Director, Mr Terry Gardiner, would participate in the placement. Any issue of Placement Shares and/or Placement Options to Mr Gardiner and/or his nominee(s) was dependent on the Company obtaining Shareholder approval, which Shareholder approval is the subject of Resolution 5.

29,000,000 Placement Shares and 14,500,000 Placement Options were issued on 21 March 2019. The ratification of the issue of the Placement Shares and Placement Options is sought under Resolutions 2, 3 and 4 in accordance with the requirements of ASX Listing Rule 7.4.

### **2.2 ASX Listing Rule 7.4**

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, Equity Securities (which includes shares) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the company's ordinary securities.

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM ("10% share issue capacity"). The Company is an eligible company and sought and received Shareholder approval to the 10% share issue capacity at its AGM on 23 November 2018. The Shareholder approval is valid for 12 months from the date of the last AGM.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rules 7.1 and 7.1A will be treated as having been made with shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach Listing Rules 7.1 or 7.1A.

Accordingly, the Company is seeking Shareholder ratification for the issue of the Placement Shares and Placement Options as follows:

- 8,415,799 Placement Shares issued under the Company's 15% equity issue capacity under Listing Rule 7.1;
- 20,584,201 Placement Shares issued under the Company's 10% share issue capacity under Listing Rule 7.1A; and
- 14,500,000 Placement Options issued under the Company's 15% equity issue capacity under Listing rule 7.1.

If Shareholders approve Resolution 2, the issue of 8,415,799 Placement Shares will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

If Shareholders approve Resolution 3, the issue of 20,584,201 Placement Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A.

If Shareholders approve Resolution 4, the issue of 14,500,000 Placement Options will be excluded from the calculations of the Company's 15% limit under ASX Listing Rule 7.1.

## **2.3 ASX Listing Rule Disclosure Requirements**

The following information is provided for the purpose of ASX Listing Rule 7.5:

(a) *Number of securities issued*

- Placement Shares – 29,000,000
- Placement Options (exercisable on or before 31 March 2021) – 14,500,000

(b) *Price at which the securities were issued*

- \$0.025 per Placement Share
- Placement Options – Nil

(c) *Terms of the securities*

The Placement Shares are fully paid ordinary shares and rank pari passu in all respects with the Company's other Shares on issue and are listed on the ASX.

The terms and conditions of the Placement Options are set out in Annexure A. The Placement Options issued under the placement, will only be recognised as fully paid Shares and rank pari passu in all respects with the Company's other Shares on issue and listed on the ASX, once the Placement Options have been exercised in line with their terms.

(d) *The name of the persons to whom Cazaly issued the securities or the basis on which those persons were determined*

The Placement Shares and Placement Options were issued to various professional or sophisticated investors. None of the investors were related parties of the Company or their associates.

(e) *Use (or intended use) of funds raised*

The net funds raised from the placement will enable the Company to move forward with the update of various sections and costings of the Definitive Feasibility Study on the Parker Range Iron Ore project, planned exploration work on its other projects in Namibia and Australia and for working capital requirements.

## **2.4 Directors' Recommendation**

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

The Board recommends Shareholders vote in favour of Resolution 3 as if Shareholders approve Resolution 3, the issue of 20,584,201 Placement Shares will be excluded from the calculations of the Company's 10% limit under ASX Listing Rule 7.1A..

The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company greater flexibility to issue further Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

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## **3. APPROVAL OF ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS TO A DIRECTOR, MR TERRY GARDINER (RESOLUTION 5)**

### **3.1 Background**

Please see Section 2.1 of this Explanatory Memorandum for the background to Resolution 5, which seeks Shareholder approval for the grant of Placement Shares and Placement Options to Director Mr Terry Gardiner.

### **3.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue securities to a related party without shareholder approval.

Resolution 5 seeks this approval as Mr Gardiner is a related party of the Company as he is a Non-Executive Director.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 pursuant to Resolution 5 is set out below.



(a) *The name of the person*

1,000,000 Placement Shares and 500,000 Placement Options will be issued to Mr Terry Gardiner (or his nominee).

(b) *The maximum number of securities to be issued (if known) or the formula for calculating the number of securities to be issued to the person*

The maximum number of Placement Shares and Placement Options which can be issued to Mr Gardiner and/or his nominee is 1,000,000 Placement Shares and 500,000 Placement Options.

(c) *The date by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting*

The Placement Shares and Placement Options will be issued within one month after the date of this General Meeting (or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules).

(d) *The issue price of the securities and a statement of the terms of issue*

Each Placement Share will be issued at a price of \$0.025 per Placement Share and will rank pari passu with existing issued ordinary shares from the date of issue.

The Placement Options will be issued for nil consideration. The terms and conditions of the Placement Options are set out in Annexure A. If Placement Options are exercised before their expiry date and in line with their terms, the Shares issued upon their exercise will rank pari passu with existing issued ordinary shares from the date of issue of the Shares.

(e) *Use (or intended use) of funds raised.*

The net funds raised will enable the Company to move forward with the update of various sections and costings of the Definitive Feasibility Study on its Parker Range Iron Ore project, planned exploration work on its other projects in Namibia and Australia and for working capital requirements.

### **3.3 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

Approval pursuant to ASX Listing Rule 7.1 is not required (under Exception 14 to ASX Listing Rule 7.1) in order to issue the Shares and Options to Mr Gardiner and/or his nominee(s) as approval is being obtained under ASX Listing Rule 10.11.

If Shareholders approve Resolution 5, the issue of Placement Shares and Placement Options to Mr Gardiner and/or his nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

### **3.4 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of Placement Shares and Placement Options to Mr Gardiner under Resolution 5 constitutes the provision of a financial benefit to related parties.

It is the view of the Directors that the issue of Placement Shares and Placement Options falls within the arm's length exception under section 210 of the Corporations Act. In forming this view, the Directors consider the issue of Placement Shares and Placement Options:

- were negotiated at arm's length;
- are issued on the same terms and conditions as those for the other placement participants; and
- are reasonable in the circumstances at the time if the Company were dealing at arm's length.

Accordingly, the Directors have determined that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Placement Shares and Placement Options to Mr Gardiner.

### Other Information

Mr Gardiner's relevant interests (direct and indirect) in Securities as at the date of this Notice Of Meeting are set out below.

Name	Shares	Options <sup>1</sup>	Annual Salary
Terry Gardiner	3,475,000	1,500,000	\$30,000

1. Unquoted options exercisable at \$0.06 on or before 26 November 2020.

The latest available price of Shares quoted on the ASX prior to the date of this Notice of Meeting on 3 May 2019 was \$0.02. The highest price for Shares trading on the ASX over the last 12 months was \$0.072 and the lowest price in that period was \$0.018.

In addition, the Directors believe that there are benefits to the Company in Directors holding Securities as this helps to incentivise the performance of those Directors and, in doing so, further aligns the interests of those Directors with those of Shareholders.

### **3.5 Directors' recommendation**

Mr Gardiner declines to make a recommendation to Shareholders in relation to Resolution 5 due to his personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

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## GLOSSARY

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In the Notice of Meeting (including the Annexures thereto) and the Proxy Form, the following terms have the following meanings unless they are otherwise defined or the context otherwise requires:

**\$** means Australian dollars.

**2017 Deed** means the unsecured 2017 convertible note deed.

**2018 Financial Report** means the Company's financial report for the financial year ended 30 June 2018, which can be downloaded from the Company's website at [www.cazalyresources.com.au](http://www.cazalyresources.com.au).

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annexure** means an annexure to this Explanatory Memorandum.

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

**ASX** means ASX Limited ACN 008 624 691 or the market operated by it, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** or **Chair** means the Chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

**Company** or **Cazaly** means Cazaly Resources Limited ACN 101 049 334.

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

**Corporations Act** or **Act** means the *Corporations Act 2001* (Cth) and the regulations promulgated under it, each as amended from time to time.

**Deed** means the note deed between the Company and Oracle dated 13 December 2018.

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

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

**Explanatory Memorandum** means the explanatory memorandum accompanying and forming part of the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Memorandum and the Proxy Form.

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

**Oracle** means Oracle Capital Group Pty Ltd.

**Placement Shares** means the Shares issued under a placement announced to ASX by the Company on 18 March 2019 and being the subject of Resolutions 2, 3, 4 and 5.

**Placement Options** means the Options (exercisable at \$0.05 on or before 31 March 2021) issued on the terms and conditions set out in Annexure A under a placement announced to ASX by the Company on 18 March 2019 and being the subject of Resolutions 2, 3, 4 and 5.

**Proxy Form** means the proxy form accompanying and forming part of the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' Report section of the 2018 Financial Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

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

**Trading Day** means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
  - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
  - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

**WST** means Western Standard Time as observed in Perth, Western Australia.

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.

## **ANNEXURE A**

### **Terms and Conditions of Placement Options**

The terms and conditions of the Placement Options are as follows:

- (a) Each Placement Option gives the Placement Option holder the right to subscribe for one Share. To obtain the right given by each Placement Option, the Placement Option holder must exercise the Placement Options in accordance with the terms and conditions of the Placement Options. The Placement Options will have an expiry date on or before 5.00pm WST on 31 March 2021 (**Placement Option Expiry Date**) at an exercise price of \$0.05 per Placement Option.
- (b) Any Placement Option not exercised before the relevant Placement Option Expiry Date will automatically lapse on that Placement Option Expiry Date.
- (c) A Placement Option holder may exercise their Placement Options by lodging with the Company, before the relevant Placement Option Expiry Date:
  - a. written notice of exercise of Placement Options specifying the number of Placement Options being exercised (**Placement Option Exercise Notice**); and
  - b. cheque or electronic funds transfer for the relevant Placement Option Exercise Price for the number of Placement Options being exercised.
- (d) A Placement Option Exercise Notice is only effective when the Company has received the full amount of the relevant Placement Option Exercise Price in cleared funds.
- (e) Within 14 Business Days of receipt of the Placement Option Exercise Notice accompanied by the relevant Placement Option Exercise Price for the number of Placement Options being exercised, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Placement Option Exercise Notice.
- (f) All Shares allotted upon the exercise of Placement Options will upon allotment rank pari passu in all respects with other Shares.
- (g) In the event the Company is listed on ASX at the time of exercise of the Placement Options the Company will apply for quotation on ASX of all Shares allotted pursuant to the exercise of Placement Options within 10 Business Days after the date of allotment of those Shares.
- (h) If at any time the issued capital of the Company is reconstructed, all rights of a Placement Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules (if applicable) at the time of the reconstruction.
- (i) There are no participating rights or entitlements inherent in the Placement Options and Placement Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give Placement Option holders the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Placement Options, the exercise price of the Placement Options will be treated in accordance with the Listing Rules (if applicable).
- (k) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Placement Options, the number of securities over which a Placement Option is exercisable may be increased by the number of securities which the Placement Option holder would have received if the Placement Option had been exercised before the record date for the bonus issue.

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## PROXY FORM

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**APPOINTMENT OF PROXY  
CAZALY RESOURCES LIMITED  
ACN 101 049 334**

### GENERAL MEETING

I/We

of

being a member of Cazaly Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held **2.00pm (WST), on Thursday 6 June 2019 at Level 2, 38 Richardson Street, West Perth WA 6005, and at any adjournment thereof.**

**I/We acknowledge that the Chair intends to vote all available proxies in favour of each of Resolutions 1 to 5 (inclusive).**

#### Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1 – Ratification of Issue of 2,452,459 Shares to Nominees of Oracle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2 – Ratification of Issue of 8,415,799 Placement Shares (7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3 – Ratification of Issue of 20,584,201 Placement Shares (7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4 – Ratification of the Issue of 14,500,000 Placement Options (7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 5 – Approval of the Issue of Placement Shares and Placement Options to Terry Gardiner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion or number of voting rights this proxy represents is \_\_\_\_\_

**Signature of Member(s):**

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

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**CAZALY RESOURCES LIMITED**  
**ACN 101 049 334**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion or number of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion or number, each proxy may exercise half the votes. Fractions will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Proxy Voting):** Sections 250BB and 250BC of the Corporations Act broadly provide that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the chair, who must vote the proxies as directed.

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

4. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the Shareholder is present at the General Meeting.
6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and:
  - (a) deliver the Proxy Form by hand to the Company's registered office at Level 2, 38 Richardson Street, West Perth, Western Australia 6005;
  - (b) post it to Cazaly Resources Limited, PO Box 396, West Perth, WA 6872; or
  - (c) send it by facsimile to the Company on facsimile number +61 8 9322 6398,
  - (d) send by email to mrobbins@cazalyresources.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

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

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