
HAZELWOOD RESOURCES LIMITED

ACN 118 738 999

NOTICE OF GENERAL MEETING

TIME: 10.00am WST

DATE: 24 February 2015

PLACE: Level 1
33 Ord Street
West Perth
Western Australia 6005

This Notice of Meeting 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 Meeting please do not hesitate to contact the Company Secretary on +61 8 9320 5220.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	6
Glossary	14
Schedule 1 – Option terms and conditions	15
Proxy Form	18

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00am WST on 24 February 2015 at:

Level 1
33 Ord Street
West Perth
Western Australia 6005

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00am WST on 22 February 2015.

Voting in person

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean 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 (ie. 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 of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie. 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 (ie. as directed).

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; or
 - 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PLACEMENT – SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 57,346,667 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. 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 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.

2. RESOLUTION 2 – PLACEMENT – OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 57,346,667 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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 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.

3. RESOLUTION 3 – FURTHER PLACEMENT – SHARES AND OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 533,333,334 Shares and 266,666,667 free attaching Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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 person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF SECURITIES TO DIRECTOR – JOHN CHEGWIDDEN

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,000,000 Shares and 7,000,000 free attaching Options to John Chegwiddden (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by John Chegwiddden (or his nominee) and 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 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS IN LIEU OF CAPITAL RAISING FEES

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Shares and 6,000,000 free attaching Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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 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.

Dated: 22 January 2015

By order of the Board

A handwritten signature in black ink, appearing to read 'C New'.

Ms Carol New
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PLACEMENT – SHARES

1.1 Background

On 22 January 2015, the Company announced a placement of 57,346,667 Shares at an issue price of \$0.015 per Share and, subject to Shareholder approval, 57,346,667 free attaching Options to clients of Hartleys Limited and other investors exempt from disclosure under Chapter 6D of the Corporations Act as selected by the Company (**Placement**).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares under the Placement (**Ratification**).

The Company issued the Shares, the subject of the Placement, without prior Shareholder approval under its 15% annual placement capacity (as set out in ASX Listing Rule 7.1). However, the issue of the Options remains subject to Shareholder approval (and is the subject of Resolution 2).

The Options are to be issued on the basis of 1 Option for every 1 Share subscribed for under the Placement. Each Option is exercisable into a Share at an exercise price of \$0.015 each on or before the date that is 24 months after the date of issue and otherwise on the terms and conditions set out in Schedule 1.

1.2 ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of Shares under the Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 57,346,667 Shares were issued under the Placement;
- (b) the issue price of Shares under the Placement was \$0.015 per Share;
- (c) the Shares issued under the Placement 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 issued under the Placement were issued to clients of Hartleys Limited and other investors exempt from disclosure under Chapter 6D of the Corporations Act as selected by the Company. None of these subscribers are related parties of the Company; and
- (e) the funds raised under the Placement will be used to repay amounts owing to trade creditors and for the Company's general working capital purposes.

2. RESOLUTION 2 – PLACEMENT – OPTIONS

2.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 57,346,667 Options for nil cash consideration to investors that subscribed for Shares under the Placement on the basis of 1 Option for every 1 Share subscribed for and issued.

As referred to above, the Company announced the Placement on 19 January 2015. The principal purpose of the Placement is to raise funds to repay amounts owing to trade creditors and for the Company's general working capital purposes.

2.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the date of the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's 15% annual placement capacity.

2.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Options pursuant to the Placement:

- (a) the maximum number of Options to be issued is 57,346,667;
- (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 ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the Placement on a 1 for 1 basis;
- (d) the Options will be issued to the subscribers under the Placement the subject of Resolution 1 on the basis of 1 Option for every 1 Share subscribed for and issued. The basis upon which subscribers under the Placement were selected is set out in section 1.3(d) above;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options pursuant to the Placement as the Options are being issued for nil cash consideration.

3. RESOLUTION 3 – FURTHER PLACEMENT – SHARES AND OPTIONS

3.1 General

In addition to the Placement the subject of Resolutions 1 and 2, the Company is proposing to undertake an additional placement of up to 533,333,334 Shares at a minimum issue price of \$0.015 per Share, together with 266,666,667 free attaching Options on the basis of up to 1 Option for every 2 Shares issued, to raise up to \$8,000,000 (based on the minimum issue price) (**Further Placement**). The Company may raise less than \$8,000,000 in the event that the Company does not issue the full 533,333,334 Shares and 266,666,667 Options for which Shareholder approval is sought under Resolution 3.

As announced on 2 January 2015, the Company has not complied with some of the non-repayment obligations (including the obligation to maintain a minimum amount of working capital) of its \$US 4,000,000 loan agreement with Siderian Resource Capital Limited (**Siderian**). Siderian and the Company have mutually agreed to allow early repayment of the loan agreement no later than 28 February 2015. The Company plans to use the funds raised under the Further Placement as follows:

Table 1

Item	Use of Proceeds of the Further Placement	Amount (\$)	%
1.	Repayment of loan to Siderian	5,210,000*	65.12
2.	Repayment of trade creditors	650,000	8.12
3.	Working capital	1,660,000	20.76
4.	Expenses of the Further Placement	480,000	6
	Total	\$8,000,000	100%

* USD 4,127,500 Principal and interest at an AUD/USD exchange rate of 0.80 plus AUD 50,000 fees, rounded up to nearest \$1,000

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of the Shares and Options under the Further Placement.

3.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

The effect of Resolution 3 will be to allow the Company to issue the Shares and free attaching Options pursuant to the Further Placement during the period of 3 months after the date of the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's 15% annual placement capacity.

3.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares and Options pursuant to the Further Placement:

- (a) the maximum number of Shares to be issued is 533,333,334 and the maximum number of Options to be issued is 266,666,667;
- (b) the Shares and 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 ASX Listing Rules) and it is intended that issue of the Shares and Options will occur progressively;
- (c) the Shares will be issued at a fixed minimum issue price of \$0.015 per Share. The Company may issue Shares at a higher issue price. The issue price per Options is nil as the Options will be issued free attaching with the Shares on up to a 1 for 2 basis;
- (d) the Shares and Options may be issued to clients of Hartleys Limited, clients of other holders of Australian Financial Services Licence, and other investors exempt from disclosure under Chapter 6D of the Corporations Act as selected by the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the Further Placement in the manner set out in Table 1 above.

3.4 Dilution

Assuming no Options currently on issue are exercised or other Shares are issued and the maximum of 533,333,334 Shares are issued under the Further Placement, the number of Shares on issue would increase from 1,273,318,483 (being the number of Shares on issue as at the date of this Notice) to 1,806,651,817 and the shareholding of existing Shareholders would be diluted by 29.5%. Further, assuming issue of the free attaching Options on a 1 for 2 basis and all 266,666,667 Options which are free attaching to the maximum number of Shares are exercised, an additional 266,666,667 Shares would be issued and the number of Shares on issue would further increase from 1,806,651,817 to 2,073,318,484 and the dilution effect of the Further Placement will increase from 29.5% to 38.58%.

Assuming Shareholders approve Resolution 3, the dilutionary effect Resolution 3 would have on the Company's current capital structure is as follows:

	Number	Dilution (%)
Shares on issue as at the date of this Notice	1,273,318,483	Nil
Maximum number of Shares issued pursuant to Resolution 3	533,333,334	29.5%
Maximum total number of Shares issued pursuant to Resolution 3 and upon exercise of maximum number of Options issued pursuant to Resolution 3	800,000,001	38.58%
Total Shares on issue	2,073,318,484	

For example, if Resolution 3 is passed and the maximum of 533,333,334 Shares are issued under the Further Placement and upon exercise of all Options issued under the Further Placement, a Shareholding holding 50,000,000 Shares, which represents 3.93% of the current issued capital of the Company, could be diluted to 2.41% (assuming no other Shares are issued or further on-market purchases of Shares are made by the Shareholder).

The Company has also sought Shareholder approval to issue an additional 13,000,000 Shares and 70,346,667 Options (pursuant to Resolution 2, 4 and 5) and to replenish its 15% annual placement capacity (pursuant to Resolution 1). If these Resolutions are approved, further Shares could be issued which may have the effect of further diluting the shareholding of existing Shareholders.

4. RESOLUTION 4 – ISSUE OF SECURITIES TO DIRECTOR – JOHN CHEGWIDDEN

4.1 General

In order to conserve Company funds, Mr John Chegwiddden, a non-executive director of the Company, has agreed to be issued in lieu of \$105,000 of director and consulting fees owing to him, 7,000,000 Shares and 7,000,000 Options on the same basis that investors subscribed for Shares and Options under the Placement the subject of Resolution 1 and 2 (**Director Securities**). The Shares will be issued at a deemed issue price of \$0.015 per Share and the Options will be free attaching, consistent with the terms of the Placement.

Resolution 4 seeks Shareholder approval under ASX Listing Rule 10.11 for the Company to issue up to 7,000,000 Shares and 7,000,000 free attaching Options to Mr Chegwiddden (or his nominee) in lieu of \$105,000 of director and consulting fees owing to him.

4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Director Securities constitutes giving a financial benefit and Mr Chegwidden is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Chegwidden who has a material personal interest in the outcome of the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Securities because the Director Securities are being issued to Mr Chegwidden on arm's length terms (being the same terms as the issue of securities the subject of the Placement).

4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the issue of the Director Securities involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Director Securities will be issued to Mr John Chegwidden (or his nominee);
- (b) the number of Director Securities to be issued is 7,000,000 Shares and 7,000,000 Options;
- (c) the Director Securities will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Director Securities will be issued for nil cash consideration as they will be issued in lieu of \$105,000 of director and consulting fees owing to Mr Chegwidden (the Shares will be issued at a deemed issue price of \$0.015 per Share and the Options are free attaching);
- (e) the shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) no funds will be raised from the issue of the Director Securities.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Director Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Director Securities to Mr Chegwidden (or his nominee) will not diminish the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS IN LIEU OF CAPITAL RAISING FEES

5.1 General

The Company and Hartleys Limited (**Hartleys**) have entered into a capital raising and corporate advisory mandate under which Hartleys has agreed to provide capital raising and corporate advisory services to the Company in order to (among other things) assist the Company in meeting its funding requirements and to progress the development of the Company's projects (**Mandate**).

Under the Mandate, the Company is required to pay Hartleys a capital raising fee of 6% (plus GST) of the amount raised pursuant to a capital raising managed by Hartleys. The Company may pay Hartleys a fee of up to \$90,000 in connection with the Placement. In lieu of payment of this fee, Hartleys has agreed to be issued up to 6,000,000 Shares and 6,000,000 free attaching Options, consistent with the terms of the Placement.

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 6,000,000 Shares, together with up to 6,000,000 free attaching Options, in lieu of up to \$90,000 of capital raising fees owing to Hartleys.

5.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

The effect of Resolution 5 will be to allow the Company to issue the Shares and free attaching Options the subject of Resolution 5 to Hartleys or its nominees during the period of 3 months after the date of the Meeting (or a longer period, if allowed by ASX), without diminishing the Company's 15% annual placement capacity.

5.3 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Shares to be issued is 6,000,000 and the maximum number of Options to be issued is 6,000,000;
- (b) the Shares and 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 ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the Shares and Options will be issued for nil cash consideration as they will be issued in lieu of up to \$90,000 of capital raising fees owing to Hartleys (the Shares will be issued at a deemed issue price of \$0.015 per Share and the Options are free attaching);
- (d) the Shares and Options will be issued Hartleys Limited (or its nominees), who is not a related party of the Company;
- (e) the shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and

- (g) no funds will be raised from the issue of the Shares and Options as they are being issued in lieu of capital raising fees owing to Hartleys.

GLOSSARY

\$ means Australian dollars.

\$US the dollar currency of the United States of America.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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 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 entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Hazelwood Resources Limited (ACN 118 738 999).

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

Director means a current director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share on the terms and conditions set out in Schedule 1.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, 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 registered holder of a Share.

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

SCHEDULE 1 – OPTION TERMS AND CONDITIONS

The terms and conditions of the Options the subject of Resolutions 2, 3, 4 and 5 are set out below:

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.015 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is 24 months after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reorganised or reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation or reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Quotation of Options

If admitted to the official list of ASX at the time, the Company will apply for quotation of the Options on ASX. However, if the criterion for quotation of the Options on ASX is unable to be satisfied, the Options will not be quoted.

(n) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

PROXY FORM

HAZELWOOD RESOURCES LIMITED
ACN 118 738 999

GENERAL MEETING

I/We

of:

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

Name:

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

or failing the person so named or, if no person is named, the 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 Meeting to be held at 10.00am WST on 24 February 2015 at Level 1, 33 Ord Street, West Perth, Western Australia 6005, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention below) even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Placement – Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Further Placement – Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Securities to Director – John Chegwidan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares and Options in Lieu of Capital Raising Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (b) post to Hazelwood Resources Limited, PO Box 2647, Malaga WA 6944; or
 - (c) facsimile to the Company on facsimile number +61 8 9320 5299,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.