



NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

AND PROXY FORM

**ANNUAL GENERAL MEETING OF
STAVELY MINERALS LIMITED**

**TO BE HELD AT FIRST FLOOR, 168 STIRLING HIGHWAY
NEDLANDS, WESTERN AUSTRALIA**

**WEDNESDAY 18 NOVEMBER 2015
COMMENCING AT 10.30AM (WST)**

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 9287 7630.

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NOTICE OF ANNUAL GENERAL MEETING

**Notice is given that the Annual General Meeting of Stavely Minerals Limited will be held at First Floor,
168 Stirling Highway, Nedlands, Western Australia on
Wednesday 18 November 2015 at 10.30 am (WST)**

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IMPORTANT INFORMATION

Your Vote is Important

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

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

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 5.00pm (WST) on 16 November 2015.

Voting in Person

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

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed 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, members 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 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.

Your proxy form is enclosed.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they apply to this Annual General Meeting. Broadly, the sections 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 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 of the meeting at which the resolution is voted on – 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).

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.

**BUSINESS OF THE MEETING
AGENDA**

ORDINARY BUSINESS

1. Financial Statements and Reports – Agenda Item

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

Note: In accordance with section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

3. Resolution 2 – Re-election of Ms Jennifer Murphy as a Director

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

That, for the purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Jennifer Murphy, a director, retires, and being eligible, is re-elected as a Director."

4. Resolution 3 – Adoption of Employee Incentive Plan

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 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Plan and for the issue of securities under that Plan, 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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 4 – Issue of Director Options – Mr Christopher Cairns

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

"That, subject to the passing of Resolution 3, for the purposes of ASX Listing Rule 10.14 and Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 4,500,000 Options to Mr Christopher Cairns (or his nominee), under the Employee Incentive Plan, 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

6. Resolution 5 – Issue of Director Options – Ms Jennifer Murphy

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

"That, subject to the passing of Resolution 3, for the purposes of ASX Listing Rule 10.14 and Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 2,000,000 Options to Ms Jennifer Murphy (or her nominee), under the Employee Incentive Plan, 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

7. Resolution 6 – Issue of Director Options – Mr William Plyley

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

"That, subject to the passing of Resolution 3, for the purposes of ASX Listing Rule 10.14 and Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 2,500,000 Options to Mr William Plyley (or his nominee), under the Employee Incentive Plan, 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

8. Resolution 7 – Issue of Director Options – Mr Peter Ironside

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

"That, subject to the passing of Resolution 3, for the purposes of ASX Listing Rule 10.14 and Section 195(4) and Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to issue 1,000,000 Options to Mr Peter Ironside (or his nominee), under the Employee Incentive Plan, 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 any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

9. Resolution 8(a), 8(b) and 8(c) – Ratification of the Issue of Equity Securities

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

- (a) *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 8,400,000 Equity Securities (5,600,000 shares at an issue price of 25c together with 2,800,000 free attaching options exercisable at 30 cents on or before 30 June 2016) on 30 June 2015 on the basis set out in the Explanatory Statement."*
- (b) *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue on 25 August 2015 of 3,000,000 Options with an exercise price of 27 cents exercisable on or before 1 December 2016, on the basis set out in the Explanatory Statement."*
- (c) *"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 1,078,206 shares issued as follows:*
 - a. On 4 December 2014, 169,194 shares issued at 33.2 cents;*
 - b. On 19 December 2014, 176,528 shares issued at 23.9 cents;*
 - c. On 21 April 2015, 472,891 shares issued at 18.9 cents; and*
 - d. On 18 May 2015, 259,593 shares issued at 20 cents;*

on the basis set out in the Explanatory Statement."

Voting Exclusion Statement:

The Company will disregard any votes cast on this resolution by a person and any associates of the person who participated in the issue of Equity Securities under this resolution.

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 the direction on the Proxy Form to vote as the proxy decides.

10. Resolution 9 – Approval of 10% Placement Capacity – Equity Securities

To consider and, if thought fit, pass, the following resolution with or without amendment, as a **special resolution**:

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this special resolution by a person and any associates of the person who:

- may participate in the issue of Equity Securities under this special resolution; and
- might obtain a benefit if this special resolution is passed, and any associates of those persons, except a benefit solely in their capacity as a holder of Shares if the resolution is passed.

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 the direction on the Proxy Form to vote as the proxy decides.

11. General

To transact any other business as may be brought before the Meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

BY ORDER OF THE BOARD



CHRISTOPHER CAIRNS
MANAGING DIRECTOR
14 October 2015

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. Financial Statement and Reports – Agenda Item

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's financial report to Shareholders unless specifically requested to do so. The Company's financial report is available on its website at www.stavely.com.au.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution to shareholders that the remuneration report be adopted must be put to shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the annual financial report of the Company. The chair of the Meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

The Remuneration Report is set out in the Company's Annual Report which:

- outlines the Board's policy for determining the nature and amount of remuneration of Directors, the company secretary and other Key Management Personnel of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a Director, secretary or other Key Management Personnel;
- details the remuneration (including options) of each Director and other Key Management Personnel of the Company for the period; and
- summarises the terms of any contract under which any Director, the company secretary or other Key Management Personnel is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

It should be noted, as per Section D of the Remuneration Report in the Stavely Minerals' Annual Report 2015, that in March 2015, all Directors agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure. Mr Christopher Cairns and Ms Jennifer Murphy reduced their salaries by 40% (\$100,000 and \$60,000 reductions respectively) and Mr William Plyley and Mr Peter Ironside reduced their fees to nil (reduction from \$75,000 and \$30,000 respectively).

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report) for the previous financial year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

The Company received 100% of votes for its remuneration report for the 2014 financial year and no specific feedback at the annual general meeting or throughout the year on its remuneration policies. Accordingly, the Spill Resolution is not relevant for this annual general meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

| Proxy | Directed | Undirected |
|---------------------------------------|----------|---|
| Key Management Personnel ¹ | Voted | Not voted ³ |
| Chair ² | Voted | Voted at discretion of Proxy ⁴ |
| Other | Voted | Voted at discretion of Proxy |

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member.

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. Resolution 2 – Re-election of Ms Jennifer Murphy as a Director

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (1) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (2) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (3) A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (4) In determining the number of Directors to retire, no account is to be taken of:
 - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
 - (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has 4 Directors, 3 of whom are included for the purpose of the calculation in paragraph (4) above.

Ms Murphy, the Director longest in office since her last election, retires by rotation and seeks re-election.

Ms Murphy completed a First Class Honours Degree in Geology in 1989, and subsequently a Master of Science Degree in 1993 at the University of Witwatersrand in South Africa. Ms Murphy joined Anglo American Corporation in 1993 as an exploration geologist working in Tanzania and Mali. In 1996, she immigrated to Australia and joined Normandy Mining Limited, working initially as a project geologist in the Eastern Goldfields and Murchison Greenstone Provinces and afterwards was responsible for the development and management of the GIS and administration of the exploration database.

Between 2004 and 2007, Ms Murphy provided contract geological services to a range of junior exploration companies. Ms Murphy joined Integra Mining Limited in 2007, initially as an administration geologist, and in 2010 the role was expanded to that of corporate geologist. In 2013 Ms Murphy joined Stavely Minerals as part of the management team to provide technical and geological expertise. Ms Murphy is a member of the Australian Institute of Geoscientists and has a broad range of geological experience ranging from exploration program planning and implementation, GIS and database management, business development, technical and statutory, and ASX reporting, as well as corporate research and analysis and investor liaison.

Ms Murphy is a member of the Company's Audit and Risk Committee.

The Board of Directors (other than Ms Murphy) recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Adoption of Employee Incentive Plan

Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled Employee Incentive Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue shares, options or performance rights under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. In the case of a Director, no equity securities may be issued to the Director without Shareholder approval of the number and terms of the proposed issue.

Shareholders should note that no securities have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. It should be noted that employees, in March 2015, agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure.

Any future issues of securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 4 to 7 for the issue of Options to certain Directors pursuant to the Plan.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (Amanda Sparks). Shareholders are invited to contact the Company if they have any queries or concerns.

This is a new Plan and accordingly the first time approval is sought under Listing Rule 7.2 exemption 9. A voting exclusion statement is included in this Notice of Meeting in connection with Resolution 3.

5. Resolutions 4 to 7 - Issue of Related Party Options

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 10,000,000 Options (**Related Party Options**) to Mr Christopher Cairns, Ms Jennifer Murphy, Mr William Plyley and Mr Peter Ironside (**Related Parties**) under the Company's Employee Incentive Plan.

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 grant of the Related Party Options constitutes giving a financial benefit and Mr Christopher Cairns, Ms Jennifer Murphy, Mr William Plyley and Mr Peter Ironside are related parties of the Company by virtue of being Directors.

It should be noted, as per Section D of the Remuneration Report in the Stavelly Minerals Annual Report 2015, that in March 2015, all Directors agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure. Mr Christopher Cairns and Ms Jennifer Murphy reduced their salaries by 40% (\$100,000 and \$60,000 reductions respectively) and Mr William Plyley and Mr Peter Ironside reduced their fees to nil (reduction from \$75,000 and \$30,000 respectively). These options are being granted to provide a retention incentive to all Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act may apply as the Company believes the options constitute reasonable remuneration, it is possible that the transactions could be construed otherwise. Therefore the Directors consider it prudent to seek Shareholder approval for the grant of Related Party Options to the Related Parties.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.14)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Mr Christopher Cairns, Ms Jennifer Murphy, Mr William Plyley and Mr Peter Ironside and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 4,500,000 Related Party Options to Mr Cairns;
 - (ii) 2,000,000 Related Party Options to Ms Murphy;
 - (iii) 2,500,000 Related Party Options to Mr Plyley; and
 - (iv) 1,000,000 Related Party Options to Mr Ironside.
- (c) the Related Party Options will be granted to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) no securities have previously been issued under the Plan nor has the Plan previously been adopted by Shareholders;
- (f) all Directors are entitled to participate in the Plan;
- (g) the Related Party Options will be granted under the Company's Employee Incentive Plan, the terms and conditions which are set out in Schedule 1, with specific terms of the Related Party Options set out in Schedule 2;
- (h) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;
- (i) the relevant interests of the Related Parties in securities of the Company are set out below:

| Related Party | Shares | Options |
|-----------------------|------------|-----------|
| Mr Christopher Cairns | 15,007,419 | 5,192,258 |
| Ms Jennifer Murphy | 3,467,097 | 1,591,290 |
| Mr William Plyley | 22,000 | 1,001,000 |
| Mr Peter Ironside | 30,157,419 | 5,272,258 |

- (j) the remuneration and emoluments (including share based payments) from the Company to the Related Parties for the previous two financial years and the proposed remuneration and emoluments for the current financial year ending 30 June 2016 are set out below:

| Related Party | Current Financial Year up to and including 30 June 2016 | Financial Year up to and including 30 June 2015 | Financial Year up to and including 30 June 2014 |
|-----------------------|--|--|--|
| Mr Christopher Cairns | 183,927 | 260,401 | 44,098 |
| Ms Jennifer Murphy | 107,434 | 154,233 | 130,784 |
| Mr William Plyley | - | 54,750 | 130,859 |
| Mr Peter Ironside | - | 22,330 | 4,525 |

It should be noted, as per Section D of the Remuneration Report in the Stavely Minerals Annual Report 2015, that in March 2015, all Directors agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure. Mr Christopher Cairns and Ms Jennifer Murphy reduced their salaries by 40% (\$100,000 and \$60,000 reductions respectively) and Mr William Plyley and Mr Peter Ironside reduced their fees to nil (reduction from \$75,000 and \$30,000 respectively). These options are being granted to provide a retention incentive to all Directors

- (k) if the Related Party Options granted to the Related Parties are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 93,528,707 to 103,528,707 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 9.66%, comprising 4.35% by Mr Cairns, 1.93% by Ms Murphy, 2.41% by Mr Plyley and 0.97% by Mr Ironside.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price | Date |
|---------|--------------|-----------------|
| Highest | 0.4845 | 5 June 2015 |
| Lowest | 0.1405 | 27 March 2015 |
| Last | 0.2200 | 14 October 2015 |

- (m) the Board acknowledges the grant of Related Party Options to Mr Plyley and Mr Ironside is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Related Party Options to Mr Plyley reasonable in the circumstances for the reasons set out in paragraph (o);
- (n) the primary purpose of the grant of the Related Party Options to the Related Parties is to recognise the contribution made by Stavely's Directors, particularly as in March 2015, all directors agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure. These options also provide an incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (o) Mr Cairns declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the resolution on the basis that Mr Cairns is to be granted Related Party Options in the Company should Resolution 4 be passed. However, in respect of Resolutions 5, 6 and 7, Mr Cairns recommends that Shareholders vote in favour of those resolutions for the following reasons:
- (i) the grant of Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;

- (p) Ms Murphy declines to make a recommendation to Shareholders in relation to Resolution 5 due to her material personal interest in the outcome of the Resolution on the basis that Ms Murphy is to be granted Related Party Options in the Company should Resolution 5 be passed. However, in respect of Resolutions 4, 6 and 7, Ms Murphy recommends that Shareholders vote in favour of those resolutions for the reasons set out in paragraph (o);
- (q) Mr Plyley declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that Mr Plyley is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 4, 5 and 7, Mr Plyley recommends that Shareholders vote in favour of those resolutions for the reasons set out in paragraph (o) ;
- (r) Mr Ironside declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that Mr Ironside is to be granted Related Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 4, 5 and 6, Mr Ironside recommends that Shareholders vote in favour of those resolutions for the reasons set out in paragraph (o) ;
- (s) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (t) 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 Resolutions 4 to 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5.3 Conditional Resolution

Resolutions 4 to 7 are conditional on the approval of Resolution 3 (adoption of Employee Incentive Plan). If Resolution 3 is not approved, Resolutions 4 to 7 will not be approved.

6. Resolution 8(a), 8(b) and 8(c) – Ratification of the Issue of Equity Securities

6.1 General

Resolution 8(a) to 8(c) seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Equity Securities (Ratification).

A summary of ASX Listing Rule 7.1 is provided in Section 4 above.

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.

ASX Listing Rule 7.4 provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1. ASX Listing Rule 7.4 sets out an exemption to ASX Listing Rule 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A those securities will from that date be included in variable 'A' in the formula in ASX Listing Rules 7.1 and 7.1A.2 for the purpose of calculating the annual placement capacity of the Company under both ASX Listing Rules 7.1 and 7.1A.

By ratifying these issues, 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. In addition, the base figure (ie variable 'A') in which the Company's 15% and (subject to the passing of Resolution 9) 10% annual placement capacities are calculated will include these ratified issues.

6.2 Technical information required by ASX Listing Rule 7.4

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

Equity Securities issued under the Company's 15% placement capacity:

- (a) As announced on 30 June 2015, the Company issued 5,600,000 Shares at 25 cents each and 2,800,000 free attaching Options under a placement to institutional and sophisticated investors. None of these subscribers are related parties of the Company. The shares issued were all fully paid and rank equally with all other existing shares. The listed options are exercisable at \$0.30 each, expiring 30 June 2016 and otherwise on the terms set out in Schedule 4. The funds raised from this issue will be used to fund the next phase of exploration and evaluation of the Thursday's Gossan porphyry copper target at the Stavely Project and to undertake further drilling at both an emerging Stawell-style gold prospect and a VMS-style copper-gold-zinc deposit at the Ararat Project; and
- (b) As announced on 25 August 2015, the Company issued 3,000,000 unlisted options to employees/consultants of the Company. In March 2015, all staff agreed to reduce their salaries / fees in order to maximise cash for exploration expenditure. These options were granted for nil cash consideration to recognise the excellent performance of Stavely's employees/consultants and provide a retention incentive. Accordingly, no funds were raised from the issued. 1,000,000 of these options were issued to Ms Amanda Sparks, the Company's Company Secretary. The options are exercisable at \$0.27 each, expiring 1 December 2016 and otherwise on the terms set out in Schedule 5.

Equity Securities issued under the Company's additional 10% placement capacity:

- (c) In October 2014, Stavely Minerals entered into a \$2 million Share Subscription Agreement with its existing drilling contractor, Titeline Drilling Pty Ltd (who is not a related party of the Company). Pursuant to this agreement, the drilling contractor has agreed to subscribe for up to \$2 million of shares, with Stavely Minerals having the option to settle monthly drilling charges by way of cash payment and by way of offset of the price of subscription application for shares. During the year ended 30 June 2015, the following were issued under this Share Subscription Agreement:
 - (1) On 4 December 2014, 169,194 shares issued at a deemed issue price of 33.2 cents per share;
 - (2) On 19 December 2014, 176,528 shares issued at a deemed issue price of 23.9 cents per share;
 - (3) On 21 April 2015, 472,891 shares issued at a deemed issue price of 18.9 cents per share; and
 - (4) On 18 May 2015, 259,593 shares issued at a deemed issue price of 20 cents per share.

The shares issued were all fully paid and rank equally with all other existing shares. No funds were raised from the issue as the shares were issued for nil cash consideration as an offset payment for drilling services provided by Titeline Drilling Pty Ltd.

A voting exclusion statement is included in this Notice.

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 8(a), 8(b) and 8(c).

7. Resolution 9 – Approval of 10% Placement Capacity – Shares

7.1 Introduction

The Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to ASX Listing Rule 7.1A. ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity (see section 7.2 below for further details).

If Shareholders approve Resolution 9, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 7.2 below).

The effect of Resolution 9 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

ASX Listing Rule 7.1A requires this Resolution 9 to be passed as a special resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to ASX Listing Rule 7.1A, no Equity Securities will be issued until and unless this special resolution is passed at the Meeting.

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 9.

7.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (1) is not included in the S&P/ASX 300 Index; and
- (2) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$22.45 million.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two class of Equity Securities on issue, being the Shares (ASX Code: SVY) and Listed Options (ASX Code: SVYO).

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of ordinary securities on issue 12 months before the date of issue or agreement to issue:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;

- (3) plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of ordinary securities under ASX Listing Rules 7.1 and 7.4. [Note: this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval]; and
- (4) less the number of fully paid ordinary securities cancelled in the previous 12 months.

D is 10 percent (10%).

E is the number of Equity Securities issued or agreed to be issued under ASX 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 ASX Listing Rules 7.1 or 7.4.

7.3 Technical Information required by ASX listing Rule 7.1A.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) Minimum Issue Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (2) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 7.3(a)(1) above, the date on which the Equity Securities are issued.

(b) Date of Issue

Assuming Resolution 9 is passed, the Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (1) 12 months after the date of this Meeting; and
- (2) the date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

If approval is given for the issue of the Equity Securities then the approval will expire on 18 November 2016, unless Shareholder approval is granted pursuant to ASX Listing Rules 11.1.2 or 11.2 prior to that date.

(c) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will have a dilutive effect on the interests of existing Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Table

| Issued Share Capital (Number of Shares on issue – variable 'A' in Listing Rule 7.1A2) | 50% decrease in current Market Price \$0.12 | | Current Market Price \$0.24 | | 100% increase in current Market Price \$0.48 | |
|--|--|-------------------|--------------------------------|-------------------|---|-------------------|
| | 10% Voting Dilution | Capital Raised \$ | 10% Voting Dilution | Capital Raised \$ | 10% Voting Dilution | Capital Raised \$ |
| Present Share Capital 93,528,707 | 9,352,871 | 1,122,344 | 9,352,871 | 2,244,689 | 9,352,871 | 4,489,378 |
| 50% Increase in Share Capital 140,293,061 | 14,029,306 | 1,683,517 | 14,029,306 | 3,367,033 | 14,029,306 | 6,734,067 |
| 100% Increase in share capital 187,057,414 | 18,705,741 | 2,244,689 | 18,705,741 | 4,489,378 | 18,705,741 | 8,978,756 |

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Assumptions and explanations

- The current shares on issue are the Shares on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 2 October 2015.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued either under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the issue than it is on the date of the Meeting; and
- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date.

(d) Purpose of issue of 10% Placement Capacity

The Company may issue Equity Securities for non-cash consideration, such as for the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Equity Securities complies with ASX Listing Rule 7.1A.3.

Funds raised from the issue of Equity Securities for cash consideration, if undertaken, would be applied towards funding expenditure associated with the exploration and development of the Company's copper assets in Western Victoria, acquisitions of new assets or investments and/or general working capital.

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

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Equity Securities. The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the purpose of the issue;
- (2) the alternative methods for raising funds available to the Company at that time, including but not limited to, rights issue or other offer where existing Shareholders may participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the circumstances of the Company, including but not limited to, the financial situation and solvency of the Company;
- (5) prevailing market conditions; and
- (6) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments for which placement securities are issued as consideration, it is possible that the allottees of some of the placement securities will be the vendors of the new assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A.

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 20 November 2014.

During the 12 month period preceding the date of the Meeting, being on and from 20 November 2014, the Company issued a total of 13,096,707 Shares and 8,966,373 options which represents 23.3% of the total diluted number of Equity Securities on issue in the Company on 20 November 2014, which was 94,832,000 (80,432,000 Shares and 14,400,000 unlisted options). Of these 13,096,707 shares and 8,966,373 options issued, 1,078,206 shares were issued under rule 7.1A, 5,685,700 shares and 5,800,000 options were issued under rule 7.1 and 6,332,801 shares and 3,166,373 options were issued under an exception in rule 7.2.

Details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the annual general meeting are set out in the table below:

| Date of Issue | Number of Equity Securities | Class of Equity Securities and summary of terms | Names of recipients or basis on which recipients determined | Issue price of Equity Securities and discount to Market Price on the trading day prior to the issue | If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds ¹ . If issued for non-cash consideration – a description of the consideration and the current value of the consideration |
|----------------------------|-----------------------------|---|---|---|--|
| 4 December 2014 | 169,194 | Ordinary Shares (issued under Listing Rule 7.1A) | Issued to drilling contractor | \$0.332. No discount to market price. | Issued pursuant to share subscription agreement. Non-Cash consideration of \$56,172.26 |
| 19 December 2014 | 176,528 | Ordinary Shares (issued under Listing Rule 7.1A) | Issued to drilling contractor | \$0.239. No discount to market price. | Issued pursuant to share subscription agreement. Non-Cash consideration of \$42,190.27 |
| 21 April 2015 | 472,891 | Ordinary Shares (issued under Listing Rule 7.1A) | Issued to drilling contractor | \$0.189. No discount to market price. | Issued pursuant to share subscription agreement. Non-Cash consideration of \$89,376.40 |
| 18 May 2015 | 259,593 | Ordinary Shares (issued under Listing Rule 7.1A) | Issued to drilling contractor | \$0.20. 25% discount to market price. Value based on 10 day VWAP. | Issued pursuant to share subscription agreement. Non-Cash consideration of \$51,918.72 |
| 30 June 2015 | 5,600,000 | Ordinary Shares (issued under Listing Rule 7.1) | Issued to institutional investors pursuant to a placement | \$0.25. 29% discount to market price. | Cash consideration of \$1,400,000 |
| 30 June 2015 | 2,800,000 | Listed Options exercisable at \$0.30 expiring 30 June 2016 (issued under Listing Rule 7.1) | Issued to institutional investors pursuant to a placement | N/A | Nil – free attaching option for every two shares |
| 6 July 2015 | 85,700 | Ordinary Shares (issued under Listing Rule 7.1) | Issued as consideration for extension of royalty agreement. | \$0.35. No discount to market price. | Non-cash. Value of \$35,000 as per royalty agreement. |
| 20 July 2015 | 6,332,726 | Ordinary Shares (issued under exception in Rule 7.2) | Issued pursuant to a non-renounceable rights issue | \$0.25. 6% discount to market price. | Cash consideration of \$1,583,181.50 |
| 20 July 2015 | 3,166,373 | Listed Options exercisable at \$0.30 expiring 30 June 2016 (issued under exception in Rule 7.2) | Issued pursuant to a non-renounceable rights issue | N/A | Nil – free attaching option for every two shares |
| 6 August 2015 | 75 | Ordinary Shares (issued under exception in Rule 7.2) | Issued upon exercise of listed options | \$0.30. No discount to market price. | Cash consideration of \$22.50 |
| 25 August 2015 | 3,000,000 | Unlisted options exercisable at \$0.27 expiring 1 December 2016 (issued under Listing Rule 7.1) | Issued to employees/consultants | N/A | Nil |
| TOTAL EQUITY ISSUED | 22,063,080 | | | | |

¹ Funds received pursuant to each issue of Equity Securities with a cash consideration, have been spent or will be spent primarily on exploration, along with any expenses associated with the issues, administration and corporate costs and for working capital.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

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

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

7.4 Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of this Notice, the proposed allottees of any Equity Securities are not as yet known or identified and the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

Recommendations for All Resolutions

The Board believes that the Resolutions to be proposed at the Company's Annual General Meeting are in the best interests of the Company and (except where otherwise stated) unanimously recommends that Shareholders vote in favour of each Resolution.

Enquiries

Shareholders are invited to contact the Company Secretary, Ms Amanda Sparks, on (08) 9287 7630 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 7 of the Explanatory Statement which accompanies the Notice.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, 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 Stavely Minerals Limited (ABN 33 119 826 907).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting is not included in the S&P/ASX 300 Index; and has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying 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 means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option which enables the holder to subscribe for one Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the period ended 30 June 2015.

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 holder of a Share.

Variable A means "A" as set out in the calculation in section 7.2 of this Notice.

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

Schedule 1 – Key Terms and Conditions of the Employee Incentive Plan

Outlined below is a summary of the key terms of the Company's Employee Incentive Plan.

- (a) **Eligibility:** Eligible Employees include Directors (both executive and non-executive), full time and part time employees and casual employees and contractors of the Company (to the extent permitted by ASIC Class Order 14/1000). Subject to the Board's consent, an Eligible Employee may nominate another person to participate in the Plan in their place.
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Employees will be offered Awards under the Plan.
- (c) **Invitation:** The Board may issue an invitation to an Eligible Employee to participate in the Plan (**Invitation**). The Invitation will specify:
 - (i) the number and type of Awards (being Options, Performance Rights and/or incentive Shares) specified in the Invitation;
 - (ii) any vesting conditions, performance hurdles, performance period, exercise conditions and/or restriction conditions attaching to the Awards;
 - (iii) the issue price or exercise price of the Awards (as applicable);
 - (iv) an acceptance period;
 - (v) any other terms and conditions attaching to the Awards; and
 - (vi) any other information required by ASIC Class Order 14/1000, the Listing Rules or any law to be included in the invitation.
- (d) **Issue and exercise price:**
 - (i) Options shall be issued for nil cash consideration, and the Board may determine the exercise price in its absolute discretion (including whether to offer the Eligible Employee a cashless exercise facility);
 - (ii) Performance Rights shall be issued for nil cash consideration, and Shares issued upon the conversion of Performance Rights shall be issued for nil cash consideration;
 - (iii) The Board shall determine the issue price of any Shares issued under the Plan, which may be nil.
- (e) **Quotation on ASX:** The Company will apply for Shares issued under the Plan and upon the exercise of Options and Performance Rights to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares. Options and Performance Rights issued under the Plan shall not be quoted.
- (f) **Rights attaching to Shares:** Each Share issued under the Plan or on the exercise of an Award shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date. The holder of a Share issued under the Plan shall be entitled to receive notice of, and attend and vote at, shareholder meetings, and to receive any dividends declared by the Company.
- (g) **Rights attaching to Options and Performance Rights:** Subject to the terms of the Plan, the Board may determine the rights attaching the Options and Performance Rights issued under the Plan. The holder of an Option or Performance Right issued under the Plan shall not be entitled to receive notice of, and attend and vote at, shareholder meetings, nor to receive any dividends declared by the Company.

- (h) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment or a performance hurdle) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Condition**). The Board may waive Restriction Conditions in its absolute discretion, including where a holder dies or is a good leaver. The Company is authorised to impose a holding lock on the Shares to implement these restrictions.
- (i) **Forfeiture of Shares:** Where a Restriction Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction (as determined by the Board in its reasonable opinion), and is not waived by the Board, the holder of those Shares forfeits its right, entitlement and interest in and to the Shares and the Company must, unless the Restriction Condition is waived by the Board, either:
- (i) arrange to buy back and cancel the relevant Shares within 6 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under the Corporations Act at a price equal to the cash consideration paid by the holder for the Shares; or
 - (ii) arrange to sell the Shares on behalf of the holder (using a power of attorney) as soon as reasonably practicable after the Restriction Condition was not satisfied (or became incapable of satisfaction) on the ASX or to an investor who falls within an exemption under Section 708 of the Corporations Act (provided that the sale must be at a price that is no less than 80% of the volume weighted average price of Shares on ASX over the 10 trading days before the sale date), and apply the sale proceeds in the following priority:
 - (A) firstly, to use towards repaying any cash consideration paid by the holder for the Shares; and
 - (B) secondly, any remainder to the Company to cover its costs of managing the Plan.
- (j) **Power of Attorney:** The holder irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back or sale of the holder's Shares in accordance with the Plan.
- (k) **Ceasing to be an Eligible Executive:** If an Eligible Employee ceases to be an employee or director of the Company and:
- (i) at that time there are unfulfilled Restriction Conditions in relation to Shares under the Plan held by the Eligible Employee or his or her nominee, the Shares are forfeited and the Company must either buy back or sell the Shares in accordance with the Plan;
 - (ii) the termination of employment is due to wilful misconduct, gross negligence or material breach of employment contract (**Misconduct**), then unvested Awards shall lapse and the Board may determine that vested Awards that have not been exercised shall also lapse; and
 - (iii) the termination of employment is not due to Misconduct, then vested awards may be exercised within 3 months from the date of termination of employment, and the Board may in its discretion determine whether to waive any vesting conditions, exercise conditions or restriction conditions to permit the Eligible Employee to exercise Awards or sell or retain Plan Shares.
- (l) **Change of control events:** Unvested Awards shall become exercisable if:
- (i) (**Takeover**) a takeover bid for the Company's issued Shares is declared unconditional;
 - (ii) (**Compromise or Arrangement**): a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) (**Sale of Main Business**): the Company enters into an agreement to sell its main business undertaking or principal assets and that agreement becomes unconditional.

- (m) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares to be received on the exercise of Awards, when aggregated with:
- (i) the number of Shares that would be issued if each outstanding offer made or Award granted under the Plan or any other employee incentive scheme of the Company were to be exercised or accepted; and
 - (ii) the number of Shares issued during the previous 3 years under the Plan (or any other employee share scheme extended only to eligible employees),

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or Awards that can be disregarded in accordance with relevant ASIC Class Orders).

Schedule 2 – Specific Terms and Conditions of Related Party Options

Note - the Related Party Options will be granted under the Company's Employee Incentive Plan.

(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 set at a 129% premium to the volume weighted average share price (**VWAP**) over the five trading days prior to the issue of the Options (**Exercise Price**). The Cashless Exercise Facility will be offered.

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 1 December 2016 (**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 10 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;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) 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.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(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 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 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) Unquoted

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

(n) Transferability

The Options are only transferable in accordance with the terms of the Employee Incentive Plan.

Schedule 3 - Valuation of Related Party Options

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 4 to 7 have been valued by internal management.

Using the Black Scholes option pricing model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

| | |
|--|----------------|
| Assumptions: | |
| | |
| Valuation date | 2 October 2015 |
| Market price of Shares (5 Day VWAP) * | 22.5 cents |
| Exercise price at 129% x 5 Day VWAP | 30 cents |
| Expiry date (length of time from issue) | 12 months |
| Risk free interest rate | 1.82% |
| Volatility (discount) | 108.59% |
| | |
| Indicative value per Related Party Option | 7.50 cents |
| | |
| Total Value of Related Party Options | \$ 750,059 |
| | |
| - Mr Cairns | \$ 337,526 |
| - Ms Murphy | \$ 150,012 |
| - Mr Plyley | \$ 187,515 |
| - Mr Ironside | \$ 75,006 |
| | |

* Note: The valuation noted above will be adjusted for the actual variables, including market price and 5 Day VWAP at the time of grant.

Based on the valuation tables contained within the Australian Taxation Employee Share Scheme regulations (which is based on the market value of the share, exercise price and exercise period), these options are deemed to have no discount and accordingly valued at zero.

Schedule 4 – Terms of Placement Options (Resolution 8(a))

(a) Entitlement

Each New 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 New Option will be \$0.30 (**Exercise Price**).

(c) Expiry Date

Each New Option will expire at 5:00 pm (WST) on 30 June 2016 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New 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 New 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 New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 New Options.

If a notice delivered under Schedule 1(e) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the New 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 New Options.

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Quotation

The Company will apply for quotation of the New Options on ASX.

(n) Transferability

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

Schedule 5 – Terms of Employee Incentive Options (Resolution 8(b))

(a) Entitlement

Subject to paragraph (g), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraphs (g) and (j), the amount payable upon exercise of each Option will be \$0.27 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 1 December 2016 (**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 (subject to paragraph (g)) 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 (subject to paragraph (g)) of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Cashless Exercise Facility

- (i) If an Optionholder wishes to exercise some or all of the Optionholder's Options, it may do so by either paying an amount equal to the Exercise Price in accordance with paragraph (e), or by electing to use the cashless exercise facility provided for by this paragraph (g) (Cashless Exercise Facility).
- (ii) The Cashless Exercise Facility entitles an Optionholder to set-off the Exercise Price against the number of Shares which the Optionholder is entitled to receive upon exercise of the Optionholder's Options. By using the Cashless Exercise Facility, the Optionholder will receive Shares to the value of the surplus after the Exercise Price has been set-off.
- (iii) If an Optionholder elects to use the Cashless Exercise Facility, the Optionholder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the Exercise Price otherwise payable for the Options and the then market value of the Shares at the time of exercise (determined as the weighted average closing price of Shares on the ASX over the 5 trading days prior to exercise).

For example, if an Optionholder holds 1,000 Options each with an Exercise Price of \$0.27, and they elect to exercise all of their Options in accordance with paragraph (e), they would pay the Company \$270 and receive 1,000 Shares. If however the Optionholder elects to use the Cashless Exercise Facility and the Company's Share price (as determined in accordance with paragraph (g)(iii)) is, for example, \$0.40, the Optionholder will pay no cash and receive 325 Shares (being $(1,000 \times (\$0.40 - \$0.27)) / \$0.40 = 325$).

(h) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

(iii) 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 (subject to paragraph (g)) cleared funds have been received by the Company;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) 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.

If a notice delivered under (g)(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise

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

(j) Quotation of Options

If admitted to the official list of the ASX at any time prior to the exercise or Expiry Date of the Options, the Company (in its discretion and subject to the ASX Listing Rules) may apply to ASX for quotation of the Options.

(k) Reconstruction of capital

If at any time the issued capital of the Company is 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 reconstruction.

(l) Participation in new issues

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

(m) Adjustment for rights issue

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 Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) Adjustment for bonus issues of Shares

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

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

(o) Transferability

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

— 000001 000 SVY
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Stavely Minerals Limited
PO Box 610 Nedlands
Western Australia 6909

Alternatively you can fax your form to:
(within Australia) 08 9389 1750
(outside Australia) +61 8 9389 1750

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

For your vote to be effective it must be received by 10.30am (WST) Monday, 16 November 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report 24 hours a day, 7 days a week:

www.stavely.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Stavelly Minerals Limited hereby appoint

☐ the Chairman of the Meeting

OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Stavelly Minerals Limited to be held at First Floor, 168 Stirling Highway, Nedlands, Western Australia on Wednesday, 18 November 2015 at 10.30am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 to 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 to 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 to 7 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

| | | For | Against | Abstain | | | For | Against | Abstain |
|--------------|---|--------------------------|--------------------------|--------------------------|---------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8a | Ratification of the Issue of Equity Securities - Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Ms Jennifer Murphy as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8b | Ratification of the Issue of Equity Securities - Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Adoption of Employee Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 8c | Ratification of the Issue of Equity Securities - Shares under Subscription Agreement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of Director Options – Mr Christopher Cairns | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Resolution 9 | Approval of 10% Placement Capacity – Equity Securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of Director Options – Ms Jennifer Murphy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 6 | Issue of Director Options – Mr William Pyley | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Resolution 7 | Issue of Director Options – Mr Peter Ironside | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____