
WESTERN MINING NETWORK LIMITED

ABN 63 144 079 667

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00pm (WST)

DATE: Monday 30 November 2015

PLACE: Bentleys
Level 1, 12 Kings Park Road
West Perth

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 (03) 9614 0600.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Western Mining Network Limited which this Notice of Meeting relates to will be held at 2.00pm (WST) on Monday 30 November 2015 at Bentleys, Level 1, 12 Kings Park Road, West Perth.

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on Saturday 28 November 2015.

VOTING IN PERSON

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

VOTING BY PROXY

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

In accordance with section 249L of the Corporations Act, 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.

Shareholders and their proxies should be aware of that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (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.

NOTICE OF ANNUAL GENERAL MEETING

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00pm (WST) on Saturday 28 November 2015.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive and consider the 2015 Annual Report of the Company, together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

Note: the vote on 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 by 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 the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CHRISTOPHER CLOWER

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

"That, for the purpose of clause 11.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Christopher Clower, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – ELECTION OF DIRECTOR – DISAN BUDI SANTOSA

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

"That, Mr Disan Budi Santosa, being a Director, appointed 8 December 2014, retires in accordance with clause 11.11 of the Constitution and being eligible for re-election, is hereby re-elected as a Director."

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MELLY SAH BANDAR

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

"That, Ms Melly Sah Bandar, being a Director, appointed 31 March 2015, retires in accordance with clause 11.11 of the Constitution and being eligible for re-election, is hereby re-elected as a Director."

5. RESOLUTION 5 – ELECTION OF DIRECTOR – GORDON LEWIS

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

"That, Mr Gordon Lewis, being a Director, appointed 13 July 2015, retires in accordance with clause 11.11 of the Constitution and being eligible for re-election, is hereby re-elected as a Director."

6. RESOLUTION 6 – ISSUE OF FIRST AND SECOND MILESTONE SHARES FOR THE TAMBOLI TRANSACTION

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

"That approval is given under ASX Listing Rule 7.1 and for all other purposes, for the issue of 39,483,503 Shares to the Milestone Shareholders (as defined in the Explanatory Statement to this Notice of Annual General Meeting) as consideration for the Tamboli Transaction on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by the Milestone Shareholders (and any of its associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However the Company need not disregard a vote if:

- (a) 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

- (b) 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.

7. RESOLUTION 7 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 7 by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, from the passing of Resolution 7 and any associates of those persons.

However the Company need not disregard a vote if:

- (c) 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
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 22 October 2015

BY ORDER OF THE BOARD

Adrien Wing
COMPANY SECRETARY
WESTERN MINING NETWORK LIMITED

EXPLANATORY STATEMENT

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

FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the 2015 Annual Report of the together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The audited financial statements for the year ended 30 June 2015 included a qualified audit report. The basis for the qualified audit opinion was the material uncertainty regarding the Company's ability to continue as a going concern. Please refer to the 2015 Annual Report for further details.

The Company will not provide a hard copy of the Company's 2015 Annual Report to Shareholders unless specifically requested to do so. The Company's 2015 Annual Report is available on its website at www.westernmining.net.

1. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

3.1 General

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

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2016 Annual General Meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2016 Annual General Meeting. All of the Directors who were in office when the Company's 2015 Directors' Report 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 is approved will be the Directors of the Company.

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 2015 Annual Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3.2 Previous voting results

At the Company's previous Annual General Meeting the votes cast against the remuneration report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3.3 Proxy voting restrictions

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

If you appoint a member of the 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 as your proxy

You must direct your proxy how to vote on this Resolution. 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.

If you appoint the Chair as your proxy (where he/she 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).

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

2. RESOLUTION 2 – RE-ELECTION OF MR CHRISTOPHER CLOWER AS DIRECTOR

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

Clause 11.3 of the Constitution provides that:

- (a) 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 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;
- (b) 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;

- (c) a Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

The Company currently has four Directors and accordingly one must retire. Mr Christopher Clower retires by rotation and seeks re-election.

Details regarding Mr Christopher Clower are set out in the Company's 2015 Annual Report.

The Directors, other than Mr Christopher Clower, recommend the re-election of Mr Christopher Clower.

4. RESOLUTION 3 – ELECTION OF DISAN BUDI SANTOSA

In accordance with Listing Rule 14.4 and Clause 11.11 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.

Accordingly, as Mr Disan Budi Santosa was appointed on 8 December 2014 pursuant to clause 11.10 of the Constitution, he now seeks re-election as a Director in accordance with clause 11.11 of the Constitution. Details regarding Mr Disan Budi Santosa are set out in the 2015 Annual Report.

The Directors, other than Mr Disan Budi Santosa, recommend the re-election of Mr Disan Budi Santosa.

5. RESOLUTION 4 – ELECTION OF MELLY SAH BANDAR

In accordance with Listing Rule 14.4 and Clause 11.11 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.

Accordingly, as Ms Melly Sah Bandar was appointed on 31 March 2015 pursuant to clause 11.10 of the Constitution, he now seeks re-election as a Director in accordance with clause 11.11 of the Constitution. Details regarding Ms Melly Sah Bandar are set out in the 2015 Annual Report.

The Directors, other than Ms Melly Sah Bandar, recommend the re-election of Ms Melly Sah Bandar.

6. RESOLUTION 5 – ELECTION OF GORDON LEWIS

In accordance with Listing Rule 14.4 and Clause 11.11 of the Constitution, any Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.

Accordingly, as Mr Gordon Lewis was appointed on 13 July 2015 pursuant to clause 11.10 of the Constitution, he now seeks re-election as a Director in accordance with clause 11.11 of the Constitution. Details regarding Mr Gordon Lewis are set out in the 2015 Annual Report.

The Directors, other than Mr Gordon Lewis, recommend the re-election of Mr Gordon Lewis.

7. **RESOLUTION 6 – ISSUE OF FIRST AND SECOND MILESTONE SHARES FOR THE TAMBOLI TRANSACTION**

BACKGROUND:

1.1. Details of the Tamboli Transaction

On 2 June 2014, the Company announced to ASX that it had entered a Heads of Agreement (**HOA**) to acquire the following from Milestone Link Pte Ltd (**Milestone**):

- (a) An option to acquire 75% of the issued share capital of PT Mekongga Sejahtera (**Mekongga**). Mekongga, an Indonesian incorporated company, is the sole owner of an exploration licence for 98.4 ha expiring on March 17, 2017 issued by Regent of Kolaka, located in Tamboli, Kolaka, South East Sulawesi.
- (b) A 40% interest in PT Eagle Rich Nusantara (**Eagle**) and an option to acquire a further 59% of the issued share capital of Eagle. Eagle, an Indonesian incorporated company with foreign investment approval intends to be used as the corporate vehicle to own an industrial estate area and construct a graphite beneficiation plant (**Production Assets**), should future exploration be successful.

(Tamboli Transaction).

On 21 July 2014, the Company announced to ASX that it had executed the following agreements with Milestone which legally binds the transaction pursuant to the HOA:

- Conditional Sale, Purchase and Assignment of Options in PT. Mekongga Sejahtera
- Conditional Sale, Purchase and Assignment of Options in PT. Eagle Rich Nusantara
- Conditional Share Subscription in PT. Eagle Rich Nusantara

The Consideration payable by the Company on completion of the Tamboli Transaction is:

- (a) **(Initial Consideration)**: The issue of 78,967,006 Shares to Milestone (and/or its affiliates) (**Milestone Group**) on the settlement date of the Tamboli Transaction (**Initial Consideration**) The Initial Consideration shares were issued subsequent to receiving shareholder approval on 23 October 2014; and
- (b) **(Deferred Consideration)**: The issue of WMN Shares such that the Milestone Group will collectively own an additional:
 - (i) 17,548,224 Shares should the Company's market capitalisation attain AUD\$50,000,000 on or before that date which is 5 years after the date of settlement of the Tamboli Transaction (**First Milestone**);

- (ii) 21,935,279 Shares should the Company's market capitalisation attain AUD\$80,000,000 on or before that date which is 5 years after the date of settlement of the Tamboli Transaction (**Second Milestone**); and
- (iii) 65,805,838 Shares should the Company's market capitalisation attain AUD\$100,000,000 on or before that date which is 5 years after the date of settlement of the Tamboli Transaction (**Third Milestone**).

Each market capitalisation milestone contemplated by the Deferred Consideration must be satisfied over a 30 day period by reference to the volume weighted average price (**VWAP**).

On 8 September 2014, the Company's market capitalisation (by reference to the relevant 30 day VWAP), was \$57.01 million. Therefore the required threshold for the First Milestone was satisfied.

On 18 June 2015, the Company's market capitalisation (by reference to the relevant 30 day VWAP), was \$80.76 million. Therefore the required threshold for the Second Milestone was satisfied.

In Resolution 6, the Company is seeking Shareholder approval for the issue of WMN Shares under the First Milestone (**First Milestone Shares**) as well as under the Second Milestone (**Second Milestone Shares**).

The total number of WMN Shares proposed to be issued pursuant to the First and Second Milestones, subject to approval of Resolution 6, is 39,483,503 shares.

Approval is not sought for the issue of WMN Shares under the Third Milestone in this Meeting. It is the current intention to seek Shareholder approval for the Third Milestone following satisfaction of the conditions for that milestone in the future.

The option for shares in Mekongga and Eagle have conditionally been assigned to the Company pursuant to the Conditional Sale, Purchase and Assignment of Options in PT. Mekongga Sejahtera and the Conditional Sale, Purchase and Assignment of Options in PT. Eagle Rich Nusantara respectively.

The material terms of these agreements are:

- (a) (Exercise): Exercise of each of the options is by written notice to the grantor giving at least 90 days' notice of the completion date.
- (b) (Expiry): There is no expiry on the options.
- (c) (Price): The price payable at completion is the par value of the shares being acquired which is equal to:
 - (i) 750,000,000 Indonesian Rupiah for the Mekongga option (75%) which equates to approximately \$70,130 using the exchange rate published by the Reserve Bank of Australia on 15 September 2014; and
 - (ii) 6,697,090,000 Indonesian Rupiah for the Eagle option (59%) which equates to approximately \$626,250 using the exchange rate published by the Reserve Bank of Australia on 15 September 2014.

The Directors do not currently intend to exercise either option in the short term. As ~~exercise of the option is unconditional and with no expiry date the Directors~~

consider it is more appropriate to utilise its cash reserves on exploration and development of the assets rather than payment of the option exercise prices.

1.2. Details of the Assets

Mekongga, is the sole owner of exploration licence No. 188.45/104/2014 issued by Regent of Kolaka, located in Tamboli, Kolaka, South East Sulawesi, covering an area of for 98.4 ha and expiring on March 17, 2017 (**Tamboli Project**).

Access to the Tamboli Project from Jakarta is 1,420km to the east by regular flights to Makassar, which is in South Sulawesi and then by a daily flight ENE for

266km to Pomalaa in South East Sulawesi. The Tamboli Project is strategically located tamboli village, Samaturu District, Kolaka, South East Sulawesi, Province, Indonesia. The Gulf of Bone (also known as Bone Bay or the Bone Gulf) is to the west and opens to the south into the Banda Sea. In the other three directions the coastal plain soon passes into hills and low mountains. There are no resident inhabitants within the hills of the IUP project area.

The concession comprises elongated hills that trend N 200 E – N 20 E reflecting geological structure and faults. The hillsides have extreme slopes ranging between 30° - 55° with height ranging from 50 – 100 meters. The project area is marginally flanked by the Tamboli and Amamutu Rivers. The stream pattern developed from these major rivers is one of a trellised pattern that reflects the structure of the area.

The main zone of interest geologically is the Palaeozoic Metamorphic Mekongga Complex that comprises schists, gneiss, phyllite, slate and minor marble.

Mekongga completed a significant amount of work prior to the Company signing the HOA with Milestone, including:

- a geophysical survey of selected zones that indicates anomalies of conductive slate (indicates possible graphite content)
- A topographic survey of the tenement
- Geological mapping of all major drainage has been carried out and is progressing into minor tributaries
- Forty-Nine outcrop samples collected for assay

The Company reviewed all work completed by Mekongga as part of its due diligence. Based on the work completed, slate with visible graphite which has distinct geophysical chargeability/conductivity anomalies associated with a zone where diorite intrudes metamorphosed sediments was identified.

The ultimate project aim envisages quarry mine feed to a standard flotation mill with product used in factories to be established within the proposed industrial estate where the road and sea access are excellent. The location is logistically excellent with its own river for water supply, a nearby coastal highway and close proximity to the sea for bulk commodity transportation.

1.3 Details of the Offtake Agreement

Milestone and Mekongga are parties to an offtake agreement pursuant to which Milestone has agreed to exclusively purchase 100% of the graphite produced from the Tamboli Project at a price equal to the production costs plus a margin per metric ton to be agreed acting reasonably prior to commencement of production. This agreement continues until expiry of the licence comprising the Tamboli Project (including any extension of the current term).

General

Resolution 6 seeks Shareholder approval for the issue of 39,483,503 Shares to the Milestone Shareholders (defined below) as the First and Second Milestones for the Tamboli Transaction.

1.1. Listing Rule 7.1

Listing Rule 7.1 requires Shareholder approval for the issue of the First and Second Milestone Shares to the Milestone Shareholders.

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.

The effect of Resolution 6 will be to allow the Directors to issue WMN Shares required to be issued pursuant to the First and Second Milestones during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual capacity.

1.2. Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of First and Second Milestone Shares to the Milestone Shareholders and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) the maximum number of WMN Shares to be issued is 39,483,503;
- (b) the First Milestone Shares and the Second Milestone Shares will be issued no later than 3 months after the date of this Meeting (or such later date as approved by ASX) and it is intended that issue of the Shares will occur on the same date;
- (c) the First Milestone Shares and the Second Milestone Shares will be issued for nil cash consideration as they are being issued as consideration for the Tamboli Transaction;
- (d) the First and Second Milestone Shares will be issued in the following proportions to the following persons (**Milestone Shareholders**), who are not related parties of the Company:

	Milestone Shareholder	First Milestone Shares	Second Milestone Shares	TOTAL
(i)	Mr. Anton Rianto	3,509,645	4,387,056	7,896,701
(ii)	Mr. Husni Thamrin	3,509,645	4,387,056	7,896,701
(iii)	Mr. Petrus Odang Yusman	3,509,645	4,387,056	7,896,701
(iv)	Mr. Aji Setiadi	3,509,645	4,387,056	7,896,701
(v)	Mr. Yap Neng Foo	3,509,644	4,387,055	7,896,699
	TOTAL	17,548,224	21,935,279	39,483,503

- (e) the First and Second Milestone Shares will be fully paid ordinary shares in the capital of the Company that will rank pari-passu with the Company's current issued Shares other than that the First and Second Milestone shares will be voluntarily escrowed for a period of 12 months from their respective dates of issue;

- (f) no funds will be raised from the issue of the First and Second Milestone Shares as they are to be issued as consideration for the Tamboli Transaction; and
- (g) a voting exclusion statement is included in the Notice.

8. RESOLUTION 7 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

8.1 General

The ASX has introduced fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12 month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is, at the date of the Notice of Annual General Meeting, an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Facility. The exact number of equity securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 2(c) below). The Company may use funds raised from any 10% Placement Facility for funding of existing projects or new projects and/or general working capital. It may also use the 10% Placement

Facility for non-cash consideration purposes such as in connection with joint venture agreements or arrangements, as payments to consultants or contractors or in connection with the acquisition of new projects (although the Company presently has no proposal to do so).

The Company obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2014 AGM and seeks to refresh this shareholder approval so as to continue to be able to make issues under the 10% Placement Facility after the 2015 AGM in accordance with ASX Listing Rule 7.1A.

The Company did not issue any ordinary fully paid shares under the capacity available to it under Listing Rule 7.1A pursuant to the approval obtained at its 2014 AGM, issue of such shares subject to the ratification resolution contained in resolution 3.

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8.2 Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue equity securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity securities

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, being WMN ordinary shares.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may, during the 10% Placement Period

(defined in section 2(f) below), issue a number of equity securities calculated in accordance with the following formula:

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

where:

- A** is the number of shares on issue 12 months before the date of the issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
 - (iv) less the number of fully paid shares cancelled in the 12 months.'

Note: "A" is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under 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.

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

As at the date of this Memorandum, the Company has on issue 162,934,012 ordinary shares and therefore would have the capacity to issue:

- (i) 24,440,010 ordinary shares under Listing Rule 7.1 (**15% capacity**); and
- (ii) subject to shareholders approving this Resolution 7, 16,293,401 ordinary shares under Listing Rule 7.1A (**10% capacity**).

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 2(c) above).

(e) Minimum Issue Price

The issue price of equity securities issued under ASX Listing Rule 7.1A must be not less than 75% of the VWAP of equity securities in the same class calculated over the 15 trading days immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires (and ceases to be valid) on the earlier to occur of:

- (i) *the date that is 12 months after the date of the AGM at which the approval is obtained; or*
- (ii) *the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).*

(g) ASX Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors of the Company to issue the equity securities under ASX Listing Rule 7.1A during the 10% Placement Period separate to the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

8.3 Specific Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Any equity securities issued will be issued at an issue price of not less than 75% of the VWAP for the Company's equity securities over the 15 trading days immediately before:
 - (i) *the date on which the price at which the equity securities are to be issued is agreed; or*
 - (ii) *if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.*
- (b) If Resolution 7 is approved by the Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company would be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
 - (i) *the market price for the Company's equity securities may be significantly lower on the date of the issue of the equity securities than on the date of the 2015 Annual General Meeting; and*
 - (ii) *the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date,*

which may have an effect on the amount of funds raised by the issue of the equity securities.

The table below shows the dilution of existing shareholders on the basis of the current market price of the Company's ordinary shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice. The table also shows:

- Two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary shares the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting.
- Two examples of where the price of ordinary securities has decreased by 50% and increased by 50% as against the current market price (being \$0.18 the closing price of the Company's ordinary shares at close of trading on 12 October 2015).

Variable "A" in ASX Listing Rule 7.1A.2		Dilution		
		\$0.09 50% decrease in Deemed Price	\$0.18 Deemed Price	\$0.36 50% Increase in Deemed Price
Current Variable A 162,934,012 shares	10% Voting Dilution	16,293,401 shares	16,293,401 shares	16,293,401 shares
	Funds raised	\$1,466,406	\$2,932,812	\$5,865,624
50% increase in current Variable A 244,401,018 shares	10% Voting Dilution	24,440,101 shares	24,440,101 shares	24,440,101 shares
	Funds raised	\$2,199,609	\$4,399,218	\$8,798,436
100% increase in current Variable A 325,868,024 shares	10% Voting Dilution	32,586,802 shares	32,586,802 shares	32,586,802 shares
	Funds raised	\$2,932,802	\$5,865,624	\$11,731,248

The table has been prepared on the following assumptions:

- The Company issues the maximum securities available under the ASX Listing Rule 7.1A being 10% of the Company's shares on issue at the date of the Meeting.
- No options are exercised into fully paid ordinary securities before the date of the issue of securities under ASX Listing Rule 7.1A.
- The table does not demonstrate an example of dilution that may be caused to a particular Shareholder by reason of placements under ASX Listing Rule 7.1A, based on that shareholder's holding at the date of the Meeting.
- The table only demonstrates the effect of issues of securities under ASX Listing Rule 7.1A. It does not consider placements made under ASX Listing Rule 7.1, the "15% rule".
- The price of ordinary securities is deemed for the purposes of the table above to be 18 cents, being the closing price of the Company's listed securities on ASX on 12 October 2015 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at.

- (c) The Company will only issue and allot the equity securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the equity securities will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the equity securities for the following purposes:
 - (i) *Non-cash consideration including in connection with joint venture arrangements or agreements, payment of contractors or consultants or in connection with the acquisition of new projects (although the Company presently has no proposal to do so). In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.*
 - (ii) *Cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing existing Company projects, the acquisition of new projects 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) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
 - (i) *the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;*
 - (ii) *the effect of the issue of the equity securities on the control of the Company;*
 - (iii) *the financial situation and solvency of the Company; and*
 - (iv) *advice from corporate, financial and broking advisers (if applicable).*

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice of Annual General Meeting but may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resources assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (f) The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2014 AGM. During the 12 month period preceding the proposed date of the 2015 AGM, being on and from 27 November 2014, the Company issued a total of 3,625,000 equity securities (comprising 1,812,500 ordinary shares and 1,812,500 unlisted options) which represents approximately 2.2% of the total number of equity securities on issue in the Company as at 27 November 2014.

Further details of the issues of all equity securities made by the Company during the 12 month period preceding the proposed date of the 2015 AGM are set out in Annexure A.

- (g) A voting exclusion statement is included in the Notice of Annual General Meeting to which this Memorandum relates. At the date of that Notice, the Company has not

approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that shareholders vote in favour of Resolution 7.

NOTE:

Unless otherwise specified, all monetary amounts are expressed in Australian dollars.

ANNEXURE A

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration (cash/non-cash)
28/4/15	812,500	WMN	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	Issue price of \$0.40 (aggregate of \$325,000). Market price at date of issue was \$0.36. Percentage premium of 11%	Cash (\$325,000). The funds raised as a result of the share issue are to be used by the Company to develop its Tamboli Project and for working capital. All funds have been spent. Funds spent from the capital raising were allocated, as described above.
28/4/15	406,250	Unlisted – 50 Series Options	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	N/A	Issued as free attaching options in connection with share placement.
28/4/15	406,250	Unlisted – 60 Series Options	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	N/A	Issued as free attaching options in connection with share placement.
4/6/15	1,000,000	WMN	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	Issue price of \$0.50 (aggregate of \$500,000). Market price at date of issue was \$0.54. Percentage discount of 7.4%	Cash (\$500,000). The funds raised as a result of the share issue are to be used by the Company to develop its Tamboli Project and for working capital. All funds have been spent. Funds spent from the capital raising were allocated, as described above.
4/6/15	1,000,000	Unlisted – 60 Series Options	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	N/A	Issued as free attaching options in connection with share placement.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 8.1 of this Notice.

2015 Annual Report means the Company's annual report for the year ended 30 June 2015, which can be downloaded from the Company's website at www.westernmining.net.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791).

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the Board of Directors of the Company.

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 or means Western Mining Network Limited (ABN 63 144 179 667).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) 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 to this 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.

Meeting means the meeting convened by the Notice.

Milestone Shareholders means the following persons:

- (a) Mr. Anton Rianto;
- (b) Mr. Husni Thamrin;
- (c) Mr. Petrus Odang Yusman;
- (d) Mr. Aji Setiadi; and
- (e) Mr. Yap Neng Foo.

Notice means the notice of meeting accompanying this Explanatory Statement.

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

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2015 Annual Report.

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

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

Variable A means "A" as set out in the calculation in section 3 of this Notice.

PROXY FORM

APPOINTMENT OF PROXY
WESTERN MINING NETWORK LIMITED
ABN 63 144 079 667

ANNUAL GENERAL MEETING

I/We

of

being a member of Western Mining Network Limited entitled to attend and vote at the Annual General Meeting, hereby appoint

Name of Proxy:

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at Bentleys, Level 1, 12 Kings Park Road, West Perth at 2.00pm (WST) on Monday 30 November 2015, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Christopher Clower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Disan Budi Santosa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Ms Melly Sah Bandar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Election of Director – Mr Gordon Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of First and Second Milestone shares for the Tamboli Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

E-mail Address: _____

Consent for contact by e-mail YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return to Company's registry by:
 - (a) post to PO Box 1156, Nedlands, WA 6909; or
 - (b) facsimile to +61 8 9262 3723so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.