



Callabonna Resources Limited
ACN 099 247 408

Notice of Annual General Meeting
and
Explanatory Notes

The annual general meeting will be held at:

Christie Corporate, 454 Collins St Melbourne VIC 3000

On 30 November 2015 at 10.00am (AEDST)

You can vote by:

Attending and voting at the meeting; or

Appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Callabonna in the manner set out in the proxy form. The proxy form must be received by the Company no later than 10.00am (AEDST) on 28 November 2015

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Callabonna Resources Limited (the "Company") will be held at Christie Corporate, 454 Collins St Melbourne VIC 3000 on 30 November 2015 at 10.00am (AEDST).

Receipt and consideration of Accounts and Reports

To receive and consider the financial reports of the Company and the report of the Directors and Auditor for the year ended 30 June 2015.

Note: There is no requirement for shareholders to approve this item of business. Accordingly, no resolution will be put to shareholders on this item of business.

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: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2: Re-Election of Director – Phil Harman

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Phil Harman, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Resolution 3: Removal of Auditor

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

"That, pursuant to Section 329 of the Corporations Act and for all other purposes, approval is given for the removal of KPMG as the current auditor of the Company effective from the date of the Meeting."

Resolution 4: Appointment of Auditor

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

"Subject to the passing of Resolution 3, that pursuant to and in accordance with section 327D of the Corporations Act and for all other purposes, Moore Stephens Audit (Vic), having been nominated by a Shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company on the terms and conditions in the Explanatory Memorandum."

Resolution 5: Re-Election of Director – John Holliday

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, John Holliday, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Dated: 23 October 2015

By order of the Board



Ian Hobson
Company Secretary

Voting Exclusions

The Company will disregard any votes cast on the resolution by or on behalf of any person specified below in relation to that resolution and an associate of any such person when determining the result of the resolution except where the vote 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 Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 1: The Corporations Act restricts members of the Key Management Personnel (KMP) which comprises Directors and other persons disclosed as KMP in the Remuneration Report and their Closely Related Parties from voting on Resolution 1. Closely Related Party is defined in the Corporations Act and includes a spouse, dependents and certain other close family members, as well as companies controlled by a member of the KMP. The Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of:

1. members of the KMP; and
 2. Closely Related Parties of those persons,
- unless the vote is cast:
3. as a proxy for a person entitled to vote in accordance with a direction on the proxy form; or
 4. as a proxy for a person entitled to vote by the Chairman of the Meeting where he has been expressly authorised to exercise the proxy (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP).

Resolutions 2, 3, 4 & 5: Nil.

PROXY AND VOTING INSTRUCTIONS

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice of General Meeting.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be returned to the **Company Secretary at PO Box 226 Subiaco WA 6904, hand delivered to Suite 5, 95 Hay Street, Subiaco WA 6008, faxed on +61-8 9388 8256 or emailed to: ianhobson@bigpond.com** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act 2001. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form accompanies this Notice of General Meeting.

Corporate Representatives

Any corporation that is a shareholder of the Company may authorise (by a form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman) a natural person to act as its representative at any general meeting.

Voting Entitlement

The Company has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm on 23 November 2014. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Explanatory Notes

RECEIPT AND CONSIDERATION OF ACCOUNTS AND REPORTS

This item is intended to provide an opportunity for shareholders to raise questions on the reports themselves and on the performance of the Company generally.

There is no requirement for the shareholders to approve this item of business.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 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.

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 for the financial year ending 30 June 2014.

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

1.2 Voting consequences

If at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to shareholders a resolution

proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general 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 financial year ended immediately before the second annual general meeting) 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.

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.

1.3 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote.*** Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you appoint the Chairman as your proxy

If you elect to appoint the Chairman as your proxy, you ***do not*** need to direct the Chairman how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chairman how to vote, ***you must tick the acknowledgement on the proxy form to acknowledge that the Chairman may exercise their discretion in exercising your proxy even though Resolution 1 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, and you ***do not*** need to tick any further acknowledgement on the proxy form.

The Board unanimously recommends the members vote in favour of adopting the Remuneration Report.

RESOLUTIONS 2 & 5: RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that 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.

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.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 Directors, meaning that 1 must retire. Mr Phil Harman is retiring by rotation and, being eligible, hereby seeks re-election. Mr Harman has been a member of the Board since 2007. Background

information relating to Mr Harman can be found in the Annual Report in the Directors' Report section. The Board considers Mr Harman to be an independent Director.

Mr John Holliday is not a director at the date of this notice of meeting but is proposed to become a director as part of the acquisition of Alice Queen Holdings Pty Ltd. Background information relating to Mr Holliday can be found in the prospectus dated 28 August 2015. This resolution will be withdrawn if Mr Holliday is not appointed a director by the date of the meeting.

The Board (in the absence of Mr Harman, who abstains from voting) unanimously recommends the re-election of Mr Harman. The Board (in the absence of Mr Holliday, who abstains from voting) unanimously recommends the re-election of Mr Holliday.

RESOLUTION 3 – REMOVAL OF AUDITOR

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given (**Notice of Intention**).

It should be noted that under this section, if a company calls a meeting after the Notice of Intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the Notice of Intention is given.

Resolution 3 is an ordinary resolution seeking the removal of KPMG as the auditor of the Company. An auditor may be removed in a general meeting provided that the Notice of Intention to remove the auditor has been received from a member of the company. A copy of the Notice of Intention is annexed to this Notice.

In accordance with section 329(2) of the Corporations Act, the Company has sent a copy of the Notice of Intention to KPMG and ASIC.

RESOLUTION 4 – APPOINTMENT OF AUDITOR

Under Section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act.

Resolution 4 is a special resolution seeking the appointment of Moore Stephens Audit (Vic) as the new auditor of the Company. As required by the Corporations Act, a nomination for Moore Stephens Audit (Vic) to be appointed as the auditor of the Company has been received from a member. A copy of the nomination of Moore Stephens Audit (Vic) as auditors is attached to this Notice.

Moore Stephens Audit (Vic) has given its written consent to act as the Company's auditor in accordance with Section 328A(1) of the Corporations Act subject to shareholder approval of this resolution.

If Resolutions 3 and 4 are passed, the appointment of Moore Stephens Audit (Vic) as the Company's auditor will take effect at the close of this Meeting. Resolution 4 is subject to the passing of Resolution 3.

6 October 2015

The Directors
Callabonna Resources Limited
Level 17
530 Collins Street
MELBOURNE VIC 3000

Dear Sirs

NOMINATION OF AUDITOR

We are a shareholder of the Company. We hereby nominate Moore Stephens Audit (Vic) as Auditor.

Yours sincerely



Ian Hobson
Director

CALLABONNA RESOURCES LIMITED**Proxy Form for Annual General Meeting**

ACN 099 247 408

All correspondence to:

By mail: PO Box 226, Subiaco WA 6904

By hand: Suite 5, 95 Hay Street, Subiaco WA 6008

Telephone +61 8 9388 8290

Facsimile +61 8 9388 8256

Email to the Company Secretary: ianhobson@bigpond.com

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I/We the shareholder(s) named above hereby appoint(s) the Chairman of the meeting as proxy, **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered security holder) you are appointing as your proxy in the box below, or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at Christie Corporate, 454 Collins St Melbourne VIC 3000 on 30 November 2015 at 10:00am (AEDST) and at any adjournment of that meeting.

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Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the Company. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

The proportion or number of my/our voting rights which this proxy is appointed to represent is

% being number of votes (see note 4)

Voting Instructions**Resolutions**

1. Adoption of Remuneration Report for the year ended 30 June 2015
2. Re-election of Director – Phil Harman
3. Removal of Auditor
4. Appointment of Auditor
5. Re-election of Director – John Holliday

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If no direction is given above or if more than one box is marked, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the resolutions to be considered by the meeting and any adjournment of the meeting.

Signature(s)

Date

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

NOTES ON PROXY FORM

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. **Please note: you cannot change ownership of your shares using this form.**

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box underneath your name and address. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name and address of that person in the boxes on the form for that purpose. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3. Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either security holder may sign.

Power of Attorney: to sign under Power of Attorney, you should have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 should 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 should be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

6. Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10.00 am (AEDST) on Saturday 28 November 2015, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting. Proxy forms may be lodged by hand, mail or fax at the address set out below:

- (a) by mail: PO Box 226, Subiaco WA 6904
- (b) by hand: Suite 5, 95 Hay Street, Subiaco WA 6008
- (c) by facsimile: +61 8 9388 8256; or
- (d) email to the Company Secretary: ianhobson@bigpond.com