



**MILLENNIUM MINERALS LIMITED  
ACN 003 257 556**

## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 27 April 2016 at 10.30 am (WST).**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9216 9011.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# MILLENNIUM MINERALS LIMITED

ACN 003 257 556

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Millennium Minerals Limited (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, on Wednesday, 27 April 2016 at 10.30 am (WST) (**Meeting**).

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

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 as Shareholders on Monday, 25 April 2016 at 10.30am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Remuneration Report

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

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 2. Resolution 2 - Re-election of Director - Richard Procter

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

*"That Richard Procter, who retires in accordance with Rule 10.3 of the Constitution and Listing Rule 14.4 and being eligible, offers himself for election, be elected as a Director."*

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## 3. Resolution 3 - Approval of change of Auditor

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

*"That, subject to ASIC consenting to the resignation of Rothsay Chartered Accountants as auditor of the Company that, pursuant to section 327B of the Corporations Act and for all other purposes, KPMG be appointed as auditor of the Company with effect from the later of the conclusion of the Meeting and the day on which ASIC gives its consent."*

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## 4. Resolution 4 - Approval of issue of Incentive Options to Mr Richard Procter

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

*"That pursuant to and in accordance with Listing Rule 10.14 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 3,200,000 Incentive Options under the Company's Employee Share Option Plan to Mr Richard Procter (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion and Prohibition

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.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

In addition, 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 a member of the Key Management Personnel; 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:

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

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## **5. Resolution 5 - Approval of issue of Incentive Options to Mr Ross Gillon**

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

*"That pursuant to and in accordance with Listing Rule 10.14 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 2,400,000 Incentive Options under the Company's Employee Share Option Plan to Mr Ross Gillon (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion and Prohibition**

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.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

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

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

However, the above prohibition does not apply if:

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

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## 6. Resolution 6 - Approval of issue of Incentive Options to Mr Gregory Bittar

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

*"That pursuant to and in accordance with Listing Rule 10.14 and section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 6,100,000 Incentive Options under the Company's Employee Share Option Plan to Mr Gregory Bittar (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion and Prohibition

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.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

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

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

However, the above prohibition does not apply if:

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

### BY ORDER OF THE BOARD

Pierre Malherbe  
Company Secretary  
Dated: 22 March 2016

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# MILLENNIUM MINERALS LIMITED

ACN 003 257 556

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 27 April 2016 at 10.30am (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 - Remuneration Report
Section 4	Resolution 2 - Re-election of Director - Richard Procter
Section 5	Resolution 3 - Approval of change of Auditor
Section 6	Resolutions 4, 5 and 6 - Approval of issue of Incentive Options to Messrs Richard Procter, Ross Gillon and Gregory Bittar
Schedule 1	Definitions
Schedule 2	Terms and conditions of Incentive Options
Annexure	Nomination of Auditor

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

The Chair intends to exercise all available proxies in favour of all Resolutions.

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### 3. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Part 2G.2, Division 9 of the Corporations Act provides Shareholders with the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2015 annual general meeting. If the Remuneration Report receives a Strike at this Meeting (2016 annual general meeting), Shareholders should be aware that if a second Strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are

considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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#### **4. Resolution 2 - Re-election of Director - Richard Procter**

Rule 10.3 of the Constitution provides that one third (or if the number is not three or a multiple of three, the number nearest one third) of the Company's Directors must retire at each annual general meeting. Rule 10.5 of the Constitution provides that the Director or Directors to retire at the annual general meeting must be those who have been in office longest since their last election.

Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Mr Richard Procter was appointed as a Director on 15 February 2005, and was last re-elected on 18 April 2013. Out of all the Directors, Mr Richard Procter has been in office the longest since his last re-election.

Accordingly, Mr Richard Procter resigns as a Director at this annual general meeting and being eligible seeks approval to be re-elected as a Director.

Mr Richard Procter is a mining engineer with over 35 years broad international experience encompassing roles in the corporate, operations, contracting, consulting, funds management and corporate advisory areas.

Mr Richard Procter has held senior industry positions that have demonstrated leadership and management of base and precious metal mining companies (both underground and open pit), the development of project assessments including definitive/bankable feasibility studies and their conversion into mining operations, and managed teams undertaking mining asset evaluations and valuations, including technical and operational audits (encompassing complete mining asset due diligence, mergers & acquisitions and industry expert reports).

Mr Richard Procter also has been involved in many mining operation start-ups (both small and large), as well as the re-engineering of large ongoing operations. Mr Richard Procter has a Masters of Business Administration, is a Chartered Engineer (MIMMM) and has a Bachelor of Science (Engineering).

Mr Richard Procter is a member of the Audit Committee and the Remuneration and Nomination Committee. Mr Richard Procter is currently a non-executive director and chairman at ABM Resources NL.

The Board (excluding Mr Richard Procter) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

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#### **5. Resolution 3 - Approval of change of Auditor**

Rothsay Chartered Accountants (**Rothsay**) has been the auditor of the Company since 1987. During this time, Rothsay has conducted the audit in an effective and competent manner.



The Board has undertaken a detailed review of the accounting firms with the necessary capabilities to conduct the company's audit obligations, given the long tenure of its current auditor. As a result of that review, the Board considers it timely to recommend the appointment of KPMG as auditor of the Company.

Under the Corporations Act, members must approve the appointment of a new auditor.

Rothsay has submitted its resignation as auditor of the Company and advised the Company that it has applied to ASIC for consent to resign effective from the later of the conclusion of the Meeting and the day on which ASIC gives its consent. The Company expects that ASIC will give its consent prior to the Meeting.

On the assumption that ASIC consents to Rothsay's resignation as auditor, Jane Marie Rajiq, as a Shareholder of the Company, has nominated KPMG of 235 St Georges Terrace, Perth, Western Australia, to act as the auditor of the Company. In accordance with section 328B(3)(c) of the Corporations Act, a copy of the notice of nomination is included in the Annexure.

KPMG has provided its consent to its appointment as auditor of the Company, subject to ASIC consenting to the resignation of Rothsay as auditor of the Company and the approval by Shareholders.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

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## **6. Resolutions 4, 5 and 6 - Issue of Incentive Options to Messrs Richard Procter, Ross Gillon and Gregory Bittar**

### **6.1 General**

Resolution 4, 5 and 6 seek Shareholder approval pursuant to Listing Rule 10.14 for the issue of:

- (a) 3,200,000 Incentive Options under the Employee Share Option Plan to Mr Richard Procter (or his nominee);
- (b) 2,400,000 Incentive Options under the Employee Share Option Plan to Mr Ross Gillon (or his nominee); and
- (c) 6,100,000 Options under the Employee Share Option Plan to Mr Gregory Bittar (or his nominee).

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Board recommends that Shareholders vote in favour of Resolutions 4, 5 and 6.

Resolutions 4, 5 and 6 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 4, 5 and 6.

## **6.2 Listing Rule 10.14**

Listing Rule 10.14 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.

Resolutions 4, 5 and 6 are being put to Shareholders to seek approval for the issue of the Incentive Options to Messrs Richard Procter, Ross Gillon and Gregory Bittar pursuant to Listing Rule 10.14.

## **6.3 Chapter 2E**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Incentive Options constitutes giving a financial benefit as Messrs Richard Procter, Ross Gillon and Gregory Bittar are related parties of the Company by virtue of being Directors.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Incentive Options pursuant to Section 208 of the Corporations Act.

## **6.4 Specific information required Listing Rule 10.15**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to the proposed issue of Incentive Options:

- (a) Incentive Options will be issued under the Employee Share Option Plan to Messrs Richard Procter, Ross Gillon and Gregory Bittar (or their nominees), each of whom are Directors.
- (b) The maximum number of Incentive Options to be issued to the Directors is 11,700,000, to be issued as follows:
  - (i) up to 3,200,000 to be issued to Mr Richard Procter (or his nominee);
  - (ii) up to 2,400,000 to be issued to Mr Ross Gillon (or his nominee); and
  - (iii) up to 6,100,000 to be issued to Mr Gregory Bittar (or his nominee).
- (c) The Incentive Options will be issued for nil cash consideration as they will be issued as part of Messrs Richard Procter, Ross Gillon and Gregory Bittar's remuneration packages.

- (d) No Equity Securities under the Plan have been issued to persons referred to in Listing Rule 10.14 since its approval by Shareholders at the meeting held on 17 November 2015.
- (e) The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are the Directors: Messrs Richard Procter, Ross Gillon, Gregory Bittar, and Michael Chye.
- (f) No loan has been provided to the Director in relation to the issue of the Incentive Options.
- (g) The Incentive Options will be issued 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 Listing Rules).

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Business Day** means a day (not being a Saturday or Sunday) on which banks are open for general banking business in Perth, Western Australia.

**Chairman** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Millennium Minerals Limited ACN 003 257 556.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Employee Share Option Plan** means the employee share option plan approved by the Shareholders at the Company's general meeting on 17 November 2015.

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

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Holder** means a holder of the Incentive Options.

**Incentive Options** the Options to be issued to Richard Procter, Gregory Bittar and/ or Ross Gillon (as applicable) on the terms set out in Schedule 2.

**Key Management Personnel** means 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.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

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

**Plan** means the Employee Share Option Plan.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Rothsay** means Rothsay Chartered Accountants.

**Rule** means a rule of the Constitution.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**WST** means Western Standard Time being the time in Perth, Western Australia.

## Schedule 2 - Terms and conditions of Incentive Options

### 1. Entitlement

Each Incentive Option entitles the Holder to subscribe for one Share upon exercise.

### 2. Plan

- (a) The Incentive Options are issued under the Plan.
- (b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

### 3. Exercise Price and Expiry Date

- (a) The exercise price of each Incentive Option (**Exercise Price**) is equal to the higher of:
  - (i) \$0.073; and
  - (ii) a 45% premium to the volume weighted average price (**VWAP**) for the Shares, calculated over the one week up to and including the date the Board accepts the invited Director's application to participate in the Plan (**Acceptance Date**).
- (b) The expiry date of each Incentive Option (**Expiry Date**) is the earlier to occur of:
  - (i) 18 November 2019; and
  - (ii) the Incentive Options lapsing and being forfeited under the Plan or these terms and conditions.

### 4. Vesting Conditions

- (a) Subject to these terms and conditions, the Incentive Options will vest on each of the following Vesting Dates:
  - (i) 50% of the Incentive Options will vest upon the Holder providing the Company with 2 years of continuous service; and
  - (ii) 50% of the Incentive Options will vest upon the Holder providing the Company with 3 years of continuous service.
- (b) The Incentive Options shall be deemed to have vested if the Holder is an Eligible Person (as defined in the Plan) during the period ending on a relevant Vesting Date.
- (c) If a Change in Control Event occurs (as defined in item 8 of these terms and conditions), all Incentive Options which have not yet vested will vest on the date of that Change in Control Event.

### 5. Exercise Period

Each vested Incentive Option is exercisable at any time prior to the Expiry Date (**Exercise Period**).

## 6. Exercise Notice and payment of Exercise Price

- (a) The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company (**Exercise Notice**) and payment (by cash, cheque, Share transfers, or any other legal means accepted by the Company) of the Exercise Price for each Incentive Option being exercised. Any Exercise Notice of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.
- (b) The Holder may apply to the Board to pay the Exercise Price for an Incentive Option by using the cashless exercise facility detailed in rule 8.4 of the Plan (**Cashless Exercise Facility**).
- (c) If the Board approves the Holder's application to use the Cashless Exercise Facility, the Holder will only be issued that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Incentive Options being exercised and the then "Market Value" of the Shares at the date of exercise (as defined below), calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = number of Shares to be issued on exercise of the Incentive Options

O = number of Incentive Options

MSP = market value of the shares calculated using the volume weighted average market price for Shares calculated over the last 10 days on which sales in the Shares were recorded immediately preceding the date of exercise (**Market Value**)

EP = Exercise Price

- (d) If the difference between the total Exercise Price otherwise payable for the Incentive Options being exercised and the then Market Value of the Shares at the time of exercise is negative or zero, then the Holder will not be entitled to use the Cashless Exercise Facility.

## 7. Timing of issue of Shares and quotation of Shares on exercise

Within 10 Business Days of delivery of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Incentive Option being exercised the Company will:

- (a) issue the Shares pursuant to the exercise of the Incentive Options together with any additional Shares an entitlement to which has arisen under the Plan in consequence of the exercise of the Incentive Options;
- (b) 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 things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for the sale of the Shares does not require disclosure to investors; and

- (c) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASIC by no later than 5 Business Days after the date of exercise of the Incentive Option.

## **8. Change in Control Event**

- (a) For the purposes of these terms and conditions, "Change in Control Event" means:
  - (i) a person's (other than IMC Group) voting power (as defined in section 610 of the Corporations Act) in the Company increases above 20%;
  - (ii) the occurrence of:
    - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
    - (B) that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Incentive Options); or
  - (iii) the announcement by the Company that:
    - (A) Shareholders have at a court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
      - (1) cancelled; or
      - (2) transferred to a third party; and
      - (3) the Court, by order, approves the proposed scheme of arrangement; or
      - (4) the occurrence of the sale of all or a majority of the Company's main undertaking; or
      - (5) at the absolute discretion of the Board, the occurrence of a sale of at least 50% of the Company's main undertaking.
- (b) Notwithstanding any other terms contained in the Plan, upon the occurrence of a Change in Control Event the Board may determine in its absolute discretion:
  - (i) that the Incentive Options may vest and be exercised at any time and in any number from the date of such determination until the date determined by the Board acting bona fide so as to permit the Holder to participate in any change of control arising from a Change in Control Event provided that the Board will advise in writing each Holder of such determination. Thereafter, the Incentive Options shall lapse to the extent they have not been exercised; or
  - (ii) to use their reasonable endeavours to procure that an offer is made to Holders on like terms (having regard to the nature and value of



the Incentive Options) to the terms proposed under the Change in Control Event in which case the Board shall determine an appropriate period during which the Holder may elect to accept the offer and, if the Holder has not so elected at the end of that period, the Incentive Options shall immediately vest and become exercisable and if not exercised within 10 days, shall lapse.

## Annexure - Nomination of Auditor

17 March 2016

The Board of Directors - Millennium Minerals Limited (Company)

Dear Sirs

### NOMINATION OF KPMG AS COMPANY AUDITOR

Pursuant to section 328B(3) of the Corporations Act, Jane Marie Rafiq of 122 Daglish Street Wembley WA 6014 being a member of the Company, nominates KPMG of 235 St Georges Terrace, Perth, Western Australia be appointed as auditor of the Company at the Company's upcoming annual general meeting.



Signed by Jane Rafiq

MILLENNIUM MINERALS LIMITED  
ACN 003 257 556  
PROXY FORM

The Company Secretary  
Millennium Minerals Limited

**By post:**  
C/- Advanced Share Registry Limited  
PO Box 1156  
Nedlands WA 6909

**By facsimile:**  
(08) 9262 3723

**By Online**  
[www.advancedshare.com.au](http://www.advancedshare.com.au)

Name of Shareholder:	
Address of Shareholder:	
Number of Shares entitled to vote:	

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the Meeting.

#### STEP 1 - APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being Shareholder/s of the Company hereby appoint:

The Chair of the Meeting (mark box)	<input type="checkbox"/>	OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy	
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Or failing the person/body corporate named, or if no person/body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, at 10.30am (Perth time) on 27, April 2016, and at any adjournment or postponement of that Meeting.

IMPORTANT FOR RESOLUTIONS 1, 4, 5 AND 6: If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 1, 4, 5 and 6, even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

#### CHAIR'S VOTING INTENTIONS IN RELATION TO UNDIRECTED PROXIES

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

#### STEP 2 - INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-election of Director - Richard Procter			
Resolution 3	Approval of change of Auditor			
Resolution 4	Approval of issue of Incentive Options to Mr Richard Procter			
Resolution 5	Approval of issue of Incentive Options to Mr Ross Gillon			
Resolution 6	Approval of issue of Incentive Options to Mr Gregory Bittar			

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

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

#### Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div></div>	<div></div>	<div></div>
Sole Director/Company Secretary	Director	Director/Company Secretary

Contact Name	Contact Daytime Telephone	Date
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<sup>1</sup>Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

## PROXY NOTES

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding:                    where the holding is in more than one name all of the holders must sign.

Power of Attorney:            if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                    a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile 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 by

- (a) online at [www.advancedshare.com.au](http://www.advancedshare.com.au); or
- (b) post to C/- Advanced Share Registry Limited, PO Box 1156, Nedlands 6909, Western Australia; or
- (c) in person to Advanced Share Registry Limited, 110 Stirling Highway, Nedlands 6009, Western Australia; or
- (d) facsimile to Advanced Share Registry Limited on facsimile number (+61 8) 9262 3723; or
- (e) email to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) in pdf form,

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