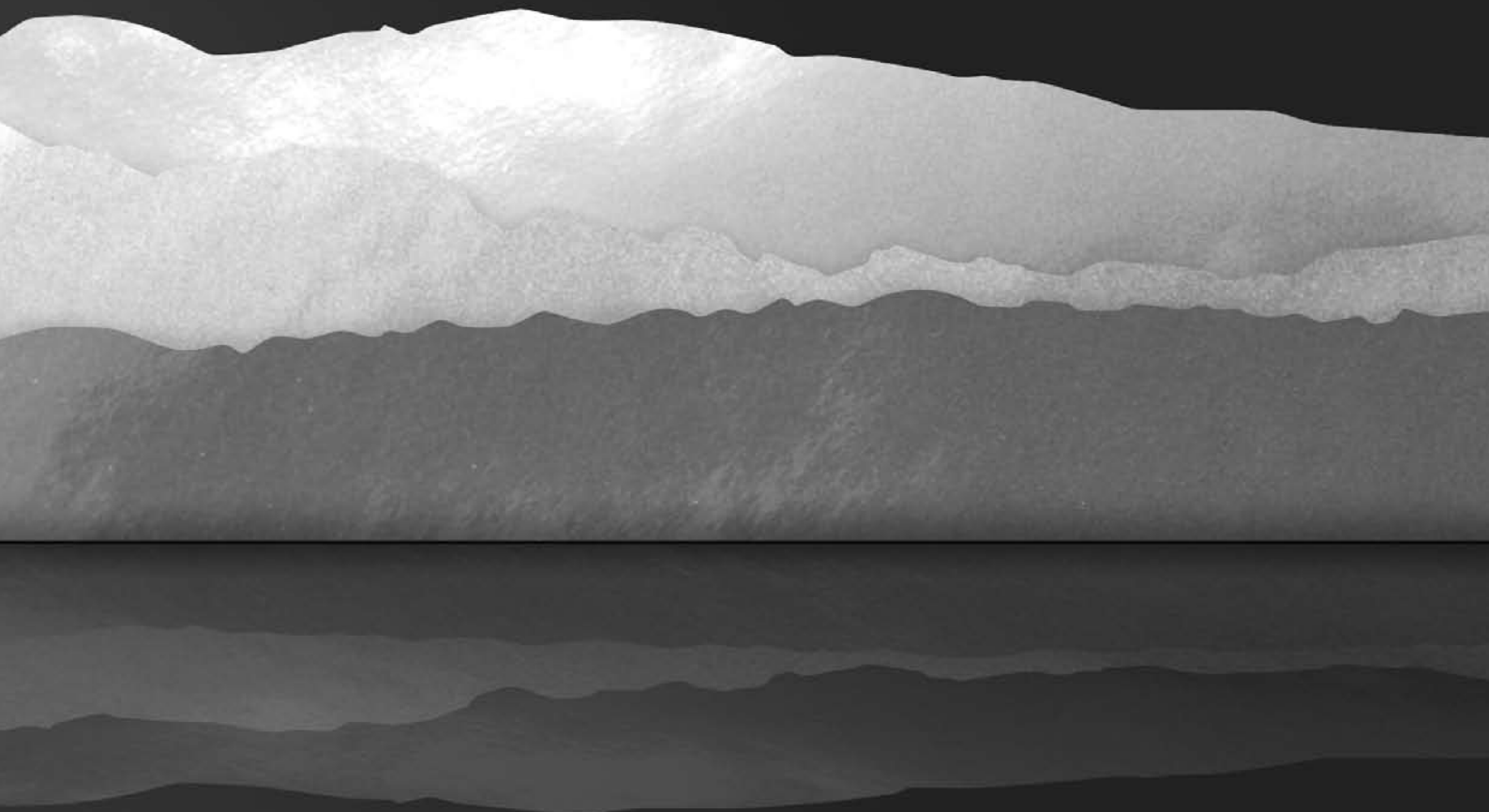


NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY MEMORANDUM



**INVESTIGATOR
RESOURCES
LIMITED**



**Date of Meeting: Tuesday 25 November 2014 Time of Meeting: 11.00am (Brisbane time)
Place of Meeting: Level 5 Toowong Tower 9 Sherwood Rd Toowong 4066**



Contents and Agenda

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Notice

Notice is given that the Annual General Meeting of Members of Investigator Resources Limited (the Company) will be held at **11:00 am on Tuesday 25 November 2014 at Level 5 Toowong Tower 9 Sherwood Rd Toowong 4066.**

Agenda

ORDINARY BUSINESS

Financial Statements and Reports

1. Resolution 1: Remuneration Report
2. Resolution 2: Re- election of Mr. Bruce Foy

SPECIAL BUSINESS

3. Resolution 3: Ratify the Issue of Shares under Previous Placement
4. Resolution 4: Renew Approval for Acquisition of Shares By Directors
5. Resolution 5: Issue of Options to Mr John Alexander Anderson

SPECIAL RESOLUTION

6. Resolution 6: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

Notice of Annual General Meeting

Ordinary Business

Financial Statements and Reports

To receive and consider the Financial Report and the Reports of the Directors and the Auditor in respect of the period ended 30 June 2014 (**Reports**).

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. However Shareholders will be given ample opportunity to raise questions about the Reports at the meeting.

1. Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following advisory resolution in accordance with Section 250R(2) of the *Corporations Act*:

"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2014".

Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on Resolution 1 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 the 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 the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. Resolution 2: Re-election of Mr. Bruce Foy

To consider and, if thought fit, to pass the following Ordinary Resolution:

"That Mr. Bruce Foy, who retires by rotation in accordance with Clause 117 of the Company's Constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company."

Notice of Annual General Meeting

3. Resolution 3: Ratify the Issue of Shares under Previous Placement

To consider and, if thought fit, pass the following resolution, with or without amendment, as an Ordinary Resolution of the Company:

*"That in accordance with the provisions of Listing Rule 7.4 of the Listing Rules, and for all other purposes, the Shareholders ratify the previous issue of twelve million and eleven thousand, five hundred and sixty-nine (12,011,569) fully paid ordinary shares in the Company (**Previous Shares**) on 14 July 2014 having a total value of four hundred and fifty-six thousand, four hundred and thirty nine dollars and sixty two cents (\$456,439.62) representing an issue price of three point eight cents (\$0.038) per Previous Share to Mega Redport Pty Ltd in consideration for the acquisition of the 25% interest in the Peterlumbo Joint Venture held by Mega Redport associate Mega Hindmarsh Pty Ltd (**Placement Participants**)."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- any Placement Participant; and
- any associate of Placement Participant.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

4. Resolution 4: Renew Approval for Acquisition of Shares By Directors

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

"That approval be given for the renewal of the approval given at the Company's annual general meeting on 21 November 2011 for the acquisition of shares on market by the non-executive Directors of the Company on the terms set out in the attached Explanatory Memorandum"

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any non-executive Director, and any associate or Closely Related Party of such non-executive Director.

However, the Company need not disregard a vote in relation to Resolution 4 if it is cast by a person (including a person chairing the meeting) as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form.

In addition, the Company's key management personnel (who are disclosed in the Remuneration Report) (**KMP**) and their Closely Related Parties are not permitted to cast a vote as a proxy for a person, if that person has not included a direction on how to vote on these resolutions in the Proxy Form.

However, the KMP or any Closely Related Party may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the Chair of the meeting at which the resolution is voted on and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Notice of Annual General Meeting *cont*

5. Resolution 5: Issue of Options to Mr John Alexander Anderson

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with section 208(1) (Part 2E) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 3,835,000 Options to Mr John Alexander Anderson, being the Managing Director of the Company or his nominee (Mr Anderson) and otherwise on terms set out in the Explanatory Memorandum".

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- Mr Anderson; and
- any associate of Mr Anderson.

However, the Company need not disregard a vote in relation to Resolution 5 if it is cast by Mr Anderson or an associate of Mr Anderson (including a person chairing the meeting) as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form.

In addition, the Company's key management personnel (who are disclosed in the Remuneration Report) (**KMP**) and their Closely Related Parties are not permitted to cast a vote as a proxy for a person, if that person has not included a direction on how to vote on these resolutions in the Proxy Form.

However, the KMP or any Closely Related Party may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the Chair of the meeting at which the resolution is voted on and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Special Resolution

6. Resolution 6: Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Shares in a number which is 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, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (Placement Securities)."

Notice of Annual General Meeting *cont*

Voting exclusion statement

The Company will disregard any votes cast on this Special Resolution by a person who may participate in the proposed issue 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 the associates of any such persons.

However, the Company need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Important Note:

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Voting Intention of the Chair for all Resolutions

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, subject to compliance with the Corporations Act.

Record Date – Snap Shot Time

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00pm AEST on 23 November 2014 ("Record Date").

Voting Instructions

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person to vote the securities held by them or, provided a completed and executed Proxy Form has been delivered to the Company as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These Proxy Forms provide further details on appointing a Proxy. Proxy Forms (and the original or a certified copy of the power of attorney if the Proxy Form is signed by an attorney) must be received by the Company, by no later than 11:00 am (AEST) on Sunday 23 November 2014, in accordance with the lodgement instructions detailed on the applicable Proxy Form.

Any Proxy Form received after the relevant time noted above will not be valid for the Meeting.

By order of the Board

Garry Gill
Company Secretary
28 October 2014

Explanatory Memorandum

This Explanatory Memorandum is provided to Shareholders of Investigator Resources Limited (Company) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at 11:00 am (Brisbane Time) on Tuesday 25 November 2014 at Level 5 Toowong Tower 9 Sherwood Rd Toowong 4066.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in Section 10.

Financial Statements and Reports

The Company's Annual Financial Report, Report of the Directors and the Report of the Auditor for financial year ended 30 June 2014 have been despatched to those Shareholders who requested a copy, released on the ASX and is available on the Company's website (www.investres.com.au).

The Company's Annual Financial Report is placed before the Shareholders for discussion. In accordance with the Corporations Act and the Company's corporate governance policies, Shareholders will be given a reasonable opportunity at the meeting to ask questions or make comments on Company matters.

The Company's auditor, Grant Thornton, will be present and will answer written questions submitted to the Company no later than five business days before the meeting. The auditor will also be available to answer questions from Shareholders relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

No voting is required for this item.

1. Resolution 1 – Remuneration Report

Remuneration Report

The Remuneration Report which details the remuneration of the Company's Directors, Company Secretary and senior executives is set out in the Investigator Resources Limited 2014 Financial Report, which may be viewed on the Company's website (www.investres.com.au).

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution. This resolution shall be determined as if it were an Ordinary Resolution, although under Section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company. However the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Directors' Recommendation

The voting exclusion statement for Resolution 1 is set out on page 2 of the Notice of Meeting. The Board unanimously recommends that Shareholders vote in favour of Resolution 1. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

2. Resolution 2 – Re-election of Mr. Bruce Foy

Clause 117 of the Company's Constitution and Listing Rule 14.4 requires that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire based upon length of tenure.

Mr. Foy retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Information about Mr. Bruce Foy is set out in the Investigator Resources Limited 2014 Financial Report which may be viewed on the Company's website (www.investres.com.au).

Directors' Recommendation

The Directors (with Mr. Foy abstaining) recommend that you vote in favour of this Ordinary Resolution.

Explanatory Memorandum *cont*

3. Resolution 3 – Ratify the Issue of Shares under a Previous Placement

Introduction

On 8 July 2014, the Company announced that it had agreed to acquire Mega Hindmarsh Pty Ltd's 25% interest in the Peterlumbo Joint Venture. Consideration for the acquisition was the issue of 12,011,569 shares in the Company (**Previous Shares**) having a total value of \$456,439.62 and representing an issue price of \$0.038 per Previous Share in the Company escrowed for 12 months. From the completion of the transaction on 14 July 2014 the joint venture was at an end and the parties were released from any future or outstanding contribution commitments or obligations generally. The shares were issued to Mega Redport an associate of Mega Hindmarsh Pty Ltd.

Listing Rule 7.1 and 7.4

Under Listing Rule 7.1, a listed company is prohibited from issuing or agreeing to issue Equity Securities without shareholder approval if doing so would result in the number of Equity Securities issued in the preceding 12 month period exceeding 15% of the number of Shares on issue at the beginning of the period:

- plus the Shares issued with Shareholder approval;
- plus the Shares issued under an exception in Listing Rule 7.2;
- plus the partly paid Shares which became fully paid Shares; and
- minus cancelled Shares,

during the 12 month period.

This is referred to as a company's '**15% Placement Capacity**'.

Under Listing Rule 7.4, an issue of Equity Securities made without specific Shareholder approval under Listing Rule 7.1 (Previous Issue) is treated as having been made with approval for the purpose of Listing Rule 7.1 if:

- the Previous Issue did not breach Listing Rule 7.1 when the Equity Securities were issued; and
- the Previous Issue is subsequently approved by Shareholders (**Shareholder Ratification**).

Shareholder Ratification

By issuing the Previous Shares the Company has utilised some of its 15% Placement Capacity permitted under Listing Rule 7.1. Accordingly, under Resolution 3, the Company is seeking Shareholder Ratification of the issue of the Previous Shares in accordance with Listing Rule 7.4. The effect of ratifying the issue of the Previous Shares is that it refreshes the Company's ability to issue Equity Securities under its 15% Placement Capacity during the next 12 months without the need to obtain further Shareholder approval.

For the purposes of ASX Listing Rule 7.4 and 7.5, and for all other purposes, the Company advises:

- A total number of 12,011,569 Previous Shares were issued.
- The Previous Shares were issued for \$0.038 per Previous Share.
- The Previous Shares are escrowed for a period of 12 months from the date of issue,
- The Previous Shares are fully paid ordinary shares and were otherwise issued on the same terms and rank pari passu with all other existing Shares on issue.
- The Previous Shares were issued and allotted to Mega Redport Pty Ltd and associate of the Company's Joint Venture partner Mega Hindmarsh Pty Ltd.
- The issue was used as the sole consideration for the acquisition of the 25% of the Peterlumbo Joint Venture that the Company did not previously own.
- The voting exclusion statement is set out at page 3 of this Notice of Meeting

Directors' Recommendation

The Board recommends that Shareholders vote in favour of this Ordinary Resolution.

Explanatory Memorandum *cont*

4. Resolution 4 – Approval of Acquisition of Shares By Directors

At the 2011 Annual General Meeting the Board Shareholders approved a proposal to adopt a requirement that, for the subsequent 3 years, each non-executive Director acquire 50,000 IVR shares each year to be paid out of their Directors' fees. The requirement was adopted to strengthen the alignment of Directors' fees with the interests of shareholders. The approval of shareholders is now sought to adopt the requirement for a further 3 year period.

The Board considers it appropriate that each non-executive director should further bind themselves and support the Company by utilising a proportion of their director's fees to acquire IVR shares at market value. The Board considers that this is consistent with trends in current market practice for listed entities.

The value of the shares to be acquired will form part of the aggregate remuneration entitlements of the non-executive Directors and will not require any change to the total pool of Director's entitlements previously approved by shareholders.

Under the proposal 50,000 shares will be acquired annually on behalf of each non-executive Director and transferred to each Director in lieu of payment of an equivalent amount of their annual remuneration. The value of IVR shares acquired will be dependent on the market price at the time of acquisition. The shares will be acquired on market and the Company anticipates the acquisitions will be made over a 10 business day period immediately after each Annual General Meeting

As the shares are to be acquired in lieu of cash remuneration entitlements payable to the non-executive Director there are no performance hurdles or qualifying criteria for the entitlement to the shares other than the performance of their ordinary duties as non-executive Directors. There are no restrictions on the disposal of the shares other than compliance with the Company's Securities Trading Policy which is posted on IVR's website at www.investres.com.au. The policy prohibits trading in the Company's shares by Directors and senior executives during closed periods.

Details of the securities acquired by the non-executive Directors will be advised to the ASX after acquisition in accordance with the ASX Listing Rules and will be included in each annual report relating to the period in which the shares were acquired.

1. The non-executive Directors who will participate in the scheme are as follows:
 - Roger Marshall OBE
 - Bruce Foy
 - David Jones.
2. The maximum aggregate number of shares to be acquired and transferred to the non-executive Directors over the next 3 years will be 150,000 shares per annum.
3. The acquisition of the relevant shares will not be provided under any loan arrangements with the Company.

Voting Exclusion Statement and Director's Recommendation

There are restrictions on the non-executive Directors and their associates and members of the Key Management Personnel and their Closely Related Parties voting on Resolution 4, details of which are set out in the Voting Restriction Statement included in Resolution 4 of the Notice of Meeting.

Mr Anderson as the only Director who does not have an interest in Resolution 4 recommends that Shareholders vote in favour of the Resolution.

5. Resolution 5 – Issue of Options to Mr John Alexander Anderson

Introduction

The Directors have adopted the policy of including in the Managing Director's remuneration package a long term incentive component in the form of share options having a value for accounting reporting requirements of \$80,000 per annum. Based on this policy the Directors have resolved to refer to Shareholders for approval the proposed grant of 3,835,000 Options to Mr John Alexander Anderson (**Anderson Options**) relating to the 2015 financial year currently in progress.

Approval for the issue of the Anderson Options is sought in accordance with the Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

Explanatory Memorandum *cont*

Options Terms

A summary of the terms of the Anderson Options is set out in the attached Appendix.

Regulatory Requirements

Chapter 2E of the Corporations Act

In order for the Anderson Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a Related Party of a public company unless the benefit falls within one of various exceptions to the general prohibition (including where shareholder approval is obtained).

The resolution, if passed, will confer financial benefits on Mr Anderson (being a Related Party of the Company because he is a Director) and the Company seeks to obtain Shareholder approval in accordance with the requirements of Chapter 2E of the *Corporations Act*. For this reason, and for all other purposes, the following information is provided to Shareholders.

a) The related party to whom the resolution would permit the financial benefit to be given

The proposed financial benefit will be given to Mr John Alexander Anderson (or his nominee) (**Mr Anderson**), who is a Related Party because he is a Director of the Company.

b) The nature of the proposed financial benefit to be given

- i. the grant of 3,835,000 Options to Mr Anderson (or nominee);
- ii. the Options shall be granted for nil consideration;
- iii. the Options shall be exercisable into Shares on or before the expiry date.
- iv. the expiry date is the earlier of:
 - the date being three (3) years from the issue date unless earlier exercised;
 - the Business Day after the expiration of three (3) months, or any longer period which the Board may determine, after Mr Anderson ceases to be an executive director, contractor or employee of the Company or an associated body corporate of the Company; or
 - the date on which the Company terminates with cause any executive or service agreement with Mr Anderson.
- v. each Option will be exercisable at 125% of the Market Price of Shares on the Issue Date (**Exercise Price**).

c) Directors' Recommendation:

Mr Roger Marshall OBE, Mr David Jones and Mr Bruce Foy recommend that Shareholders vote in favour of this resolution. The reasons for their recommendation include:

- i. the grant of the Options as proposed to Mr Anderson will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- ii. the Options are not intended as a substitute for salary or wages; and
- iii. in the Company's circumstances as they existed as at the date of this Explanatory Statement, Mr Marshall, Mr Jones and Mr Foy considered that the incentive provided a cost effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Options to a third party.

As Mr Anderson is interested in the outcome of the resolution, he accordingly makes no recommendation to Shareholders in respect of this resolution.

d) Directors' Interest and other remuneration:

Mr Anderson has a material personal interest in the outcome of the resolution, as it is proposed that Anderson Options be granted to him (or his nominee).

Excluding the Anderson Options, Mr Anderson (and entities associated with him) holds 1,792,063 Shares, 512,019 listed options and 4,205,000 unlisted Options. Please refer to the table below which indicates the holdings of Mr Anderson (and entities associated with him).

Other than the Anderson Options to be issued to Mr Anderson, Mr Anderson shall receive total fixed remuneration of \$316,970 (inclusive of superannuation) per annum from the Company for his services as Managing Director.

Explanatory Memorandum *cont*

e) Valuation

The Anderson Options are not currently quoted on the ASX and as such have no market value. The Anderson Options grant the holder a right of grant of one Share upon exercise of the Options and payment of the exercise price of the Anderson Options described above. Accordingly, the Anderson Options may have a present value at the date of their grant.

The Anderson Options may acquire future value dependent upon the extent to which the Shares exceed the exercise price of the Anderson Options during the term of the Anderson Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have a value. Various factors impact upon the value of options including:

- i. the period outstanding before the expiry date of the options;
- ii. the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- iii. the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);
- iv. the value of the shares into which the options may be converted; and
- v. whether the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model and the Binomial Model).

The Company has commissioned an independent valuation of the Anderson Options, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolution 5 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black Scholes Model and the Binomial Model, which are the most widely used and recognised model for pricing options. The value of an option calculated by both the Black Scholes Model and the Binomial Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black Scholes Model and the Binomial Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black Scholes Model and the Binomial Model was:

- i. the exercise price of the Options being 125% of the Market Price of shares in the Company as at the Issue Date;
- ii. a market price of Shares of \$0.035
- iii. expiry date of 3 years from the Issue Date for the Options.
- iv. a volatility measure of 102.39%;
- v. a risk-free interest rate of 2.74% on the options proposed to be issued to the Directors; and
- vi. a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of Anderson Options as "American style" options (being exercisable at any time prior to the stated expiry date).

Based on the independent valuation of the Options, the Company agrees that the value of the Options to be issued pursuant to this resolution is \$80,535.

f) Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors save and except as follows:

Market Price movements:

The Anderson Option valuation noted above is based on a market price per Share of \$0.035

There is a possibility that the market price of the Shares will change up to the date of the Meeting.

Explanatory Memorandum *cont*

Opportunity Costs:

The opportunity cost and benefit foregone by the Company issuing the Anderson Options to the Director is the potentially diluted impact on the issued Share capital of the Company (in the event that the Anderson Options are exercised). Until exercised, the issue of the Anderson Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares may be detrimental to the Company, if at all, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Anderson Options is dependent upon a concomitant increase in the value of the Company generally.

Taxation Consequences:

No stamp duty will be payable in respect of the grant of the Anderson Options. No GST will be payable by the Company in respect of the grant of the Anderson Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the grant date and the vesting date are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Dilutionary Effect:

If all of the Anderson Options granted and Options previously granted are exercised by Mr Anderson (or his nominee), then the effect on his holdings in the Company, assuming that all of the Options granted are exercised and that:

- a) no other Options currently on issue in the Company are or have been exercised; and
- b) no further Equity Securities are issued or acquired.

will be as follows:

Director	Current Holdings	% of Total Share Capital (462,287,960 Shares on issue)	Share Holding upon exercise of existing Options	% of Total Share Capital upon exercise of existing Options	Share Holding upon exercise of existing Options and new Anderson Options	% of Total increased Share Capital (471,839,979 Shares on issue)
Mr John Anderson	1,792,063 Shares 512,019 Unlisted options 8,040,000 Options	0.39%	10,344,082	2.20%	11,344,082	2.4%

Explanatory Memorandum *cont*

Trading History:

Details of the Company's trading history of the previous 12 months as at 10 October 2014 (being the last practicable date on which the Company's shares traded prior to finalisation of this Explanatory Memorandum) are as follows:

- (a) the lowest share price during the 12 months prior to 10 October 2014 was \$0.024 on 8 October 2014.
- (b) the highest share price during the 12 months prior to 10 October 2014 was \$0.1127 on 11 October 2013.
- (c) the closing price on 10 October 2014 was \$0.025; and
- (d) the 30 day VWAP as at 10 October 2014 was \$0.0320.

Listing Rule 10.11

Listing Rule 10.11 requires an entity to obtain the approval of shareholders for an issue of Equity Securities to a Related Party. Mr Anderson, being a Director of the Company, is a Related Party of the Company. Accordingly, because the issue of the Anderson Options will result in the Company issuing Equity Securities to a Related Party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- The maximum number of Anderson Options to be issued to Mr Anderson is 3,835,000 Options;
- The Anderson Options are intended to be granted as soon as possible following the Shareholder approval at this AGM, but in any event, within one (1) month of the date of this AGM;
- The Anderson Options are being issued for nil consideration; and
- No funds are being raised by the grant of the Anderson Options.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Voting Exclusion Statement

There are restrictions on Mr Anderson and his associates and members of the Key Management Personnel and their Closely Related Parties voting on Resolution 5, details of which are set out in the Voting Restriction Statement included in Resolution 5 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 5 subject to compliance with the Corporations Act. Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by this Resolution.

6. Resolution 6 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

Introduction

Pursuant to Resolution 6, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within 5 trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

Explanatory Memorandum *cont*

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the AGM, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the Placement Securities.

Directors' Recommendation

The Directors of the Company unanimously recommend that Shareholders vote in favour of Resolution 6.

Listing Rule 7.1A

a) General

i. Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 12 September 2014 the Company's market capitalisation was \$15.25 million based on the Closing Trading Price on 12 September 2014. The calculation of market capitalisation will be based on the Closing Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 7, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

ii. Special Resolution

Listing Rule 7.1A requires this Resolution 5 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

iii. Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

b) 10% Placement Period – Listing Rule 7.1A.1

Assuming Resolution 5 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- i. the date that is 12 months after the date of the AGM; or
- ii. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 25 November 2015, unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

Explanatory Memorandum *cont*

c) Calculation for Additional 10% Placement – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

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

- A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:
- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4. [Note: This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval];
 - less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10 percent.
- E** is the number of Equity Securities issued or agreed to be issued under 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 Listing Rules 7.1 or 7.4.

d) Listing Rule 7.1A.3

i. Equity Securities

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Meeting, the only class of Equity Securities in the Company quoted on the ASX are 'Ordinary Shares (ORD)' and listed options. The Company presently has 462,287,960 Shares and 114,179,704 listed options on issue as at the date of this Notice of Meeting.

ii. Minimum Issue Price

The issue price for the Placement Securities issued under 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:

- the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- if the relevant Placement Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

e) Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 5 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
 - details of the dilution to the existing holders of Equity Securities caused by the issue;
 - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
 - details of any underwriting arrangements, including any fees payable to the underwriter; and
 - any other fees or costs incurred in connection with the issue.

Explanatory Memorandum *cont*

f) Listing Rule 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% Placement Capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 462,287,960 Shares. The Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- i. subject to Shareholder approval being obtained under Resolution 3, 69,343,194 Equity Securities under Listing Rule 7.1; and
- ii. subject to Shareholder approval being obtained under Resolution 6, 46,228,796 Shares and listed Options under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

Specific Information required by Listing Rule 7.3A

a) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days immediately before:

- i. the date on which the price at which the Placement Securities are to be issued is agreed; or
- ii. if the Placement Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

b) Risk of economic and voting dilution – Listing Rule 7.3A.2

AAs provided by Listing Rule 7.3A.2, if Resolution 5 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 462,287,960 Shares. Providing Resolution 6 is passed, the Company could issue 46,228,796 Shares and listed Options on the date of the Meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- i. the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- ii. the Placement 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 or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued capital has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued Shares has increased and the Market Price of the Shares has decreased.

Explanatory Memorandum *cont*

Table 1

Issued Share Capital	50% decrease in Market Price \$0.07		Current Market Price \$0.14		100% increase in Market Price \$0.28	
	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised	10 % Voting Dilution	Capital Raised
Present Issued Share Capital = 462,287,960 Shares	46,228,796 Shares	\$878,347	46,228,796 Shares	\$1,756,694	46,228,796 Shares	\$9,398,387
50% Increase in Share Capital = 693,431,940 Shares	69,343,194 Shares	\$1,317,521	69,343,194 Shares	\$2,635,041	69,343,194 Shares	\$14,097,581
100% Increase in Share Capital = 924,575,920 Shares	92,457,592 Shares	\$1,756,694	92,457,592 Shares	\$3,513,388	92,457,592 Shares	\$18,796,774

Assumptions and explanations

- The Market Price is \$0.038 based on the closing price of the Shares on ASX on 2 September 2014.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities and not any Shares issued under the 15% under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The Issued Share Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 2 September 2014 and assuming all resolutions affecting share capital presented to the Annual General Meeting are passed.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which will end on 25 November 2015. The approval under Resolution 6 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). Any funds raised from the issue of Placement Securities, if undertaken, would be applied to progress the objectives of Company including the funding of exploration activities, working capital, acquisitions and the payment of any costs of the issue of the Placement Securities.

e) Shares Issued for Non-cash consideration – Listing Rule 7.3A.4

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

Explanatory Memorandum *cont*

f) Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of 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 Shareholders can participate;
- ii. the effect of the issue of the Placement 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 of the Placement Securities have not been determined as at the date of this Notice 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 is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

g) Details of all equity securities issued where previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 18 November 2013. No shares were issued pursuant to the approval during the year.

As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of equity securities (quoted and unquoted) issued in the past 12 months preceding the date of the meeting (that is, since 18 November 2013).

Number of equity securities on issue at commencement of 12 month period	335,656,687
Equity securities issued in prior 12 month period	Shares 126,631,273 Listed Options 114,179,704 Unlisted Options 5,770,000
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	73.5%

Specific details that are required to be provided for each issue of equity securities in the prior 12 month period are as follows:

Explanatory Memorandum *cont*

Type of Equity Securities	Terms	Details of Issue	Issue Date	Number Issued	Name of recipient or basis on which recipient determined	Issue price of Equity Securities and Discount to market price on the trading day prior to issue	<p>If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds.</p> <p>If issued for non-cash consideration – a description of the consideration and the current value of the consideration</p>
Shares	Fully paid ordinary shares	Exercise of options	20/02/2014	440,000	Employee to whom options issued	\$0.059	<p style="text-align: right;">\$25,960</p> <p>Funds used for working capital.</p>
Shares	Fully paid ordinary shares	2:5 rights issue at 4c – prospectus dated 30 April 2014	3/06/2014	40,352,386	Registered shareholders at record date	\$0.040	<p style="text-align: right;">\$1,614,095</p> <p>To be used primarily for the Company's exploration program in relation to: its Paris resource, the Paris Extension Target Area, the Paris satellite targets, the Ajax project, the Uno Morgans targets, the Roundabout and Spyall projects and for working capital.</p>
Shares	Fully paid ordinary shares	Shortfall of 2:5 rights issue	4/06/2014	11,925,000	Investors and shareholders nominated by the Lead Manager to the Prospectus	\$0.040	<p style="text-align: right;">\$477,000</p> <p>To be used primarily for the Company's exploration program in relation to: its Paris resource, the Paris Extension Target Area, the Paris satellite targets, the Ajax project, the Uno Morgans targets, the Roundabout and Spyall projects and for working capital.</p>
Shares	Fully paid ordinary shares	On acquisition of 25% of Peterlumbo JV – 12 mth escrow	14/07/2014	12,011,569	Mega Redport Pty Ltd	\$0.038	<p style="text-align: right;">\$456,440 (non cash)</p> <p>To acquire the 25% interest in the Peterlumbo Joint Venture that the Company did not previously own. Value of the consideration is unchanged since acquisition.</p>
Shares	Fully paid ordinary shares	Shortfall prospectus dated 30 July 2014	14/08/2014	61,902,318	Investors and shareholders nominated by the Lead Manager to the Prospectus	\$0.040	<p style="text-align: right;">\$2,476,093</p> <p>To be used primarily for the Company's exploration program in relation to: its Paris resource, the Paris Extension Target Area, the Paris satellite targets, the Ajax project, the Uno Morgans targets, the Roundabout and Spyall projects and for working capital.</p>
Listed Options	Over fully paid ordinary shares	Expiry date of 31 March 2017 and exercise price of 10 cents each.	03-Jun-14	40,352,386	Registered shareholders at record date	nil	<p style="text-align: right;">nil</p>

Explanatory Memorandum *cont*

Type of Equity Securities	Terms	Details of Issue	Issue Date	Number Issued	Name of recipient or basis on which recipient determined	Issue price of Equity Securities and Discount to market price on the trading day prior to issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-cash consideration – a description of the consideration and the current value of the consideration
Listed Options	Over fully paid ordinary shares	Expiry date of 31 March 2017 and exercise price of 10 cents each.	04-Jun-14	11,925,000	Investors and shareholders nominated by the Lead Manager to the Prospectus	nil	nil
Listed Options	Over fully paid ordinary shares	Expiry date of 31 March 2017 and exercise price of 10 cents each.	14-Aug-14	61,902,318	Investors and shareholders nominated by the Lead Manager to the Prospectus	nil	nil
Unlisted Options	Issued pursuant to the Managing Director pursuant to a resolution passed by shareholders at the Annual General Meeting on 18 November 2013.	Exercise Price 0.074 Exercise Date 18-Nov-16	25-Nov-13	1,150,000	John Anderson (MD)	Not applicable.	nil
Unlisted Options	Issued under the Company's Employee Share Option Plan approved on 27 November 2012 (ESOP).	Exercise Price 0.074 Exercise Date 18-Nov-16	25-Nov-13	555,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.059 Exercise Date 9-Jan-17	10-Feb-14	525,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.087 Exercise Date 20-Feb-17	20-Feb-14	490,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.080 Exercise Date 18-Feb-17	18-Feb-14	360,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.077 Exercise Date 19-Mar-17	19-Mar-14	365,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil

Explanatory Memorandum *cont*

Type of Equity Securities	Terms	Details of Issue	Issue Date	Number Issued	Name of recipient or basis on which recipient determined	Issue price of Equity Securities and Discount to market price on the trading day prior to issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds. If issued for non-cash consideration – a description of the consideration and the current value of the consideration
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.054 Exercise Date 21-May-17	21-May-14	755,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.044 Exercise Date 2-Sept-17	2-Sept-14	815,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil
Unlisted Options	Issued under the Company's ESOP.	Exercise Price 0.044 Exercise Date 8-Sept-17	8-Sept-14	755,000	Eligible Employees under the ESOP.	At date of issue market price equalled issue price	nil

8. Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

9. Information for Shareholders

Shareholders who are entitled to vote

The Company has determined that for the purpose of voting at the meeting, shares will be taken to be held by those members recorded in the Company's Register of Members as at 7.00 pm (Brisbane time) on Sunday 23 November 2014.

Proxy Votes

A member entitled to attend and vote at the meeting may appoint a proxy. The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please read carefully the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

Explanatory Memorandum *cont*

A proxy need not be a member of the Company.

The Proxy Form must be signed by the member or the member's attorney. Proxies given by corporations must be signed in accordance with the corporation's constituent documents, or as authorised by the Corporations Act.

To be valid, the Proxy Form must be lodged at least 48 hours before the time for holding the meeting by one of the following methods:

- (a) by mail or in person at the registered office of the Company
Investigator Resources Limited
PO Box 343,
Toowong Qld 4066;
- (b) by facsimile to the Company on
07 3876 0351 or
- (c) by email to
info@investres.com.au

If the Proxy Form is executed under a power of attorney that has not been noted by the Company, the power of attorney must accompany the Proxy Form

In the case of joint shareholders, the names of all joint shareholders should be shown and all joint shareholders should sign the Proxy Form.

Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

15% Placement Capacity has the meaning given to that term in Resolution 3 of the Explanatory Memorandum.

AGM means annual general meeting;

Anderson Options means options over fully paid ordinary Shares to be issued to the Managing Director Mr John Anderson pursuant to the terms set out in this Explanatory Memorandum.

ASIC means the Australian Securities & Investments Commission;

ASX means the ASX Limited;

Business Day means a day on which all banks are open for business generally in Brisbane;

Chair means the person chairing the Meeting.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependant of the member or the member's spouse; or
- 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 dealings with the entity; or
- e) a company the member controls; or
- f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Company means Investigator Resources Limited ACN 115 338 979 (ASX: IVR);

Constitution means the constitution of the Company from time to time;

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

Directors mean the board of Directors of the Company as at the date of the Notice of Meeting being Roger Marshall, David Jones, Bruce Foy and John Anderson;

Eligible Entity has the meaning given to that term in the Listing Rules;

Eligible Person has the meaning given to that term in the ESOP, being at any time a person who is then an employee or a director of the Company (whether full time or part time);

Explanatory Memorandum *cont*

Equity Securities has the meaning given to that term in the Listing Rules;

ESOP means the Company's Employee Share Option Plan;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Issue Date means the date of the Meeting or within one (1) month thereafter;

Key Management Personnel or **KMP** has the definition given in the Accounting Standard AASB 124 Related Party Disclosure as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity';

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules; and

Meeting means the Annual General Meeting to be held on 25 November 2014 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Options means options over fully paid ordinary Shares;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Placement Participants has the meaning given to that term in Resolution 3.

Related Party has the meaning in section 228 of the Corporations Act;

Remuneration Report means the section of the Directors' Report in the 2012 Financial Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

Resolutions means the resolutions set out in the Notice of Meeting;

Securities has the meaning given to that term in the Listing Rules;

Shares means fully paid ordinary shares in the Company from time to time;

Shareholder means a shareholder of the Company;

Special Resolution means a resolution:

- a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Trading Day has the meaning given to that term in the Listing Rules.

Appendix A

Anderson Option Terms Summary

A summary of the terms of the Options is as follows:

- a) Each Option will be exercisable at 125% of the Market Price of Shares on the Issue Date per Option (Exercise Price);
- b) The Options will be exercisable on or before three (3) years from the Issue Date by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price to the Company at any time prior to the expiry date;
- c) Each option shall be issued for free.
- d) The Options will not be listed on the ASX;
- e) The Options will expire (Expiry Date) on the earlier of:
 - i. the date being three (3) years from the Issue Date unless earlier exercised;
 - ii. the Business Day after the expiration of three (3) months, or any longer period which the Board may determine, after Mr Anderson ceases to be an executive director, contractor or employee of the Company or an associated body corporate of the Company; or
 - iii. the date on which the Company terminates with cause any executive or service agreement with Mr Anderson.
- f) The Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative);
- g) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date;
- h) The number of Options that may be exercised at one time must be not less than 20,000;
- i) Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
- j) The Option holder does not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- k) The Option holder does not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide the Option holder with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules;
- l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - i. The number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - ii. Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

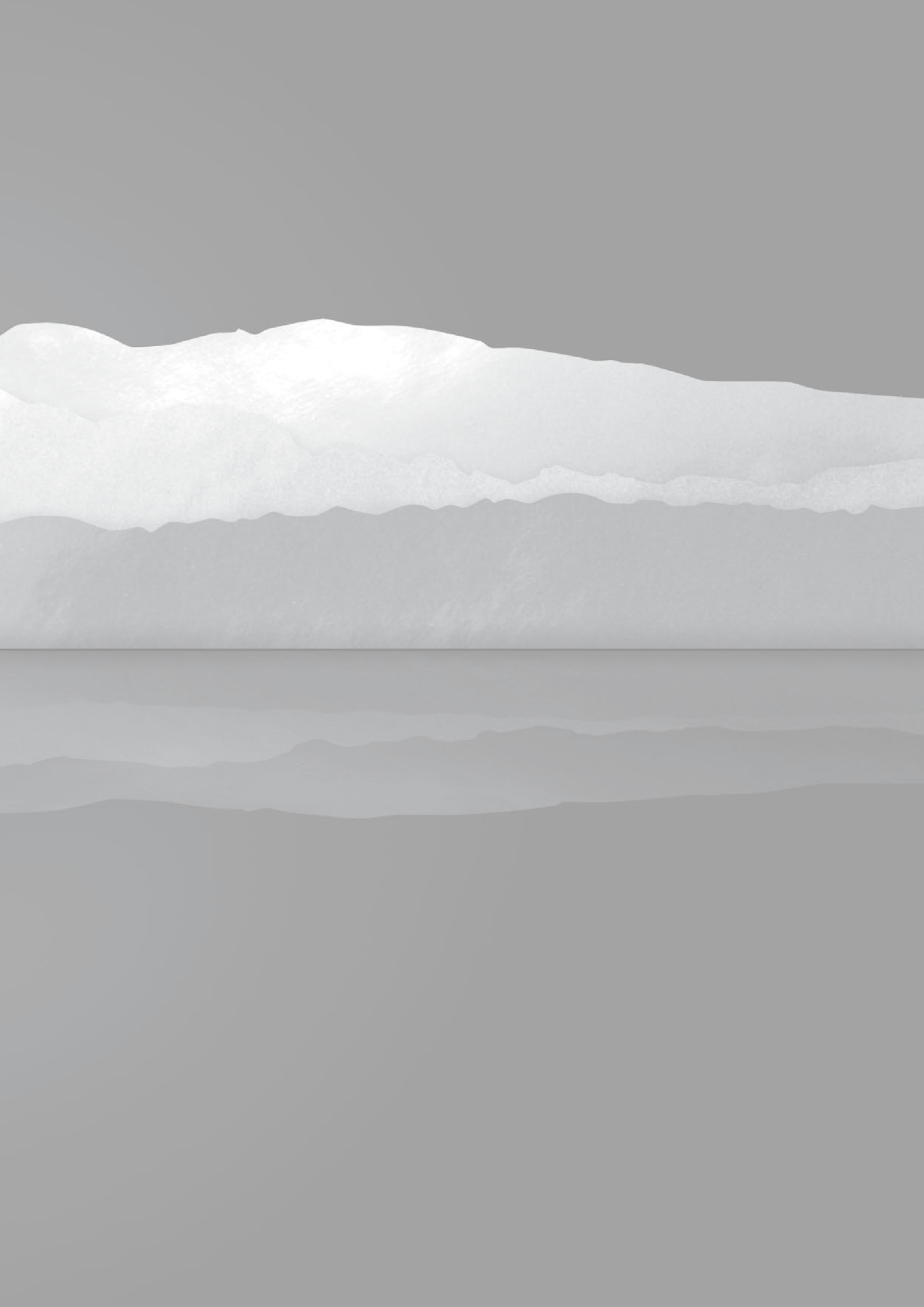
Appendix A *cont*

- m) If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
 O = the old exercise price of the Option;
 E = the number of underlying securities into which one Option is exercisable;
 P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
 S = the subscription price for a security under the pro rata issue;
 D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
 N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- n) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue; and
- o) The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.





**INVESTIGATOR
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LIMITED**



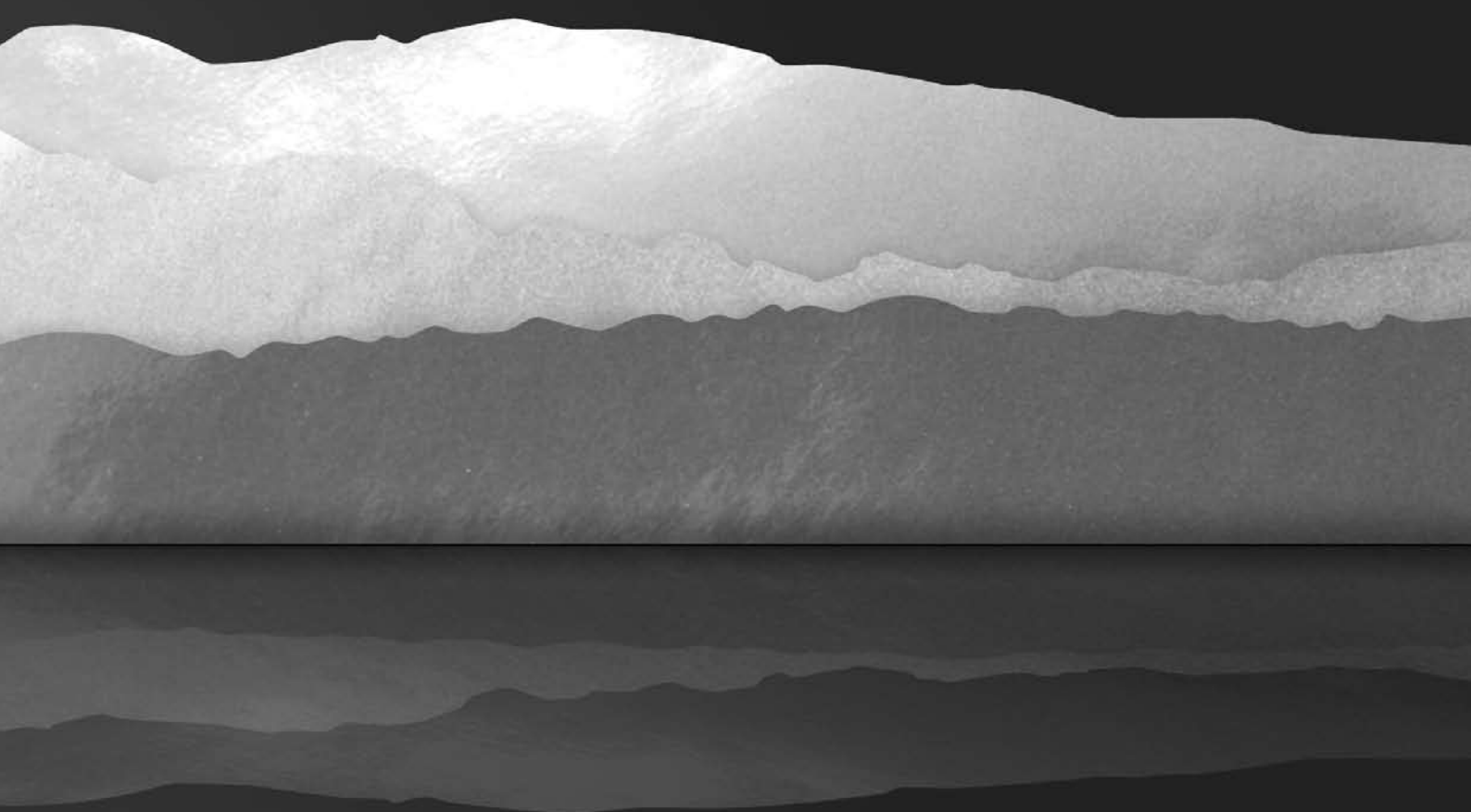
ABN 90 115 338 979

PO Box 343 Toowong QLD 4066

info@investres.com.au

www.investres.com.au

PROXY FORM



INVESTIGATOR
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PROXY FORM

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf please complete the form and submit it in accordance with the directions overleaf.

I/We, _____,

of _____,

being the holder of _____ shares of Investigator Resources Limited pursuant to my / our right to appoint not more than two proxies, appoint

☐

The Chairman of
the Meeting
(mark with an "X")

OR

Write here the name of the person you
are appointing if this person **is someone
other than** the Chairman of the Meeting.

or failing him/her

Write here the name of the other person
you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my / our proxy to vote for me / us and on my / our behalf at the Annual General Meeting to be held at **11.00 am on Tuesday 25 November 2014 at Level 5, Toowong Tower, 9 Sherwood Rd. Toowong 4066** and at any adjournment or postponement of the Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1,4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1,4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1,4 and 5 by marking the appropriate box below.

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

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTION	FOR	AGAINST	ABSTAIN*
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Bruce Foy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratify the Issue of Shares under Previous Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Renew Approval for Acquisition of Shares By Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of 3,835,000 Options to Mr John Alexander Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, 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.

PLEASE SIGN HERE

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

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Director

Director / Company Secretary

Sole Director & Sole Company Secretary

Dated this _____ day of _____ 2014

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a shareholder of the Company.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
5. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
6. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

7. 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, all of the shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.

If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

8. Lodging your Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below 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.

Postal address: Investigator Resources Limited
PO Box 343
Toowong Qld 4066

Fax number: 07 3876 0351

Email: info@investres.com.au