



## **TIMPETRA RESOURCES LIMITED**

ABN 74 143 928 625

### **NOTICE OF GENERAL MEETING**

**to be held at 11.00 am (AEDT) on  
Wednesday 17 December 2014 at  
The Grace Hotel  
77 York Street, Sydney NSW 2000**

**Notice is hereby given that a General Meeting ("Meeting") of Timpetra Resources Limited ("Company") will be held at 11.00 am (AEDT) on Wednesday 17 December 2014 at The Grace Hotel, 77 York Street, Sydney, NSW 2000.**

The Meeting is being held for the purpose of transacting the following business. The Explanatory Statement that accompanies this Notice of General Meeting contains information in relation to the matters to be considered at the Meeting.

**SPECIAL BUSINESS**

**Resolution 1                      Approval of return of capital to shareholders**

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

That, for the purposes of Part 2J.1 of the *Corporations Act 2001* (Cth) and for all other purposes, approval is given for the share capital of the Company to be reduced by up to A\$7,793,024, such a reduction of capital to be effected by paying an amount of A\$0.124 to each registered holder of fully paid ordinary shares in the Company as at 7.00pm (AEDT) on **23<sup>rd</sup> December 2014 (Record Date)**.

and subject to availability of funds, for the purposes of Part 2J.1 of the *Corporations Act 2001* (Cth) and for all other purposes, approval is given for the share capital of the Company to be reduced by up to A\$1,445,480, such a reduction of capital to be effected by paying an amount up to A\$0.023 to each registered holder of fully paid ordinary shares in the Company as at 7.00pm (AEDT) on **20<sup>th</sup> February 2015 (Record Date)** to be payable on **23<sup>rd</sup> March 2015**.

**BY ORDER OF THE BOARD**

Dated 14<sup>th</sup> November 2014



N J V Geddes  
Company Secretary

## EXPLANATORY STATEMENT

### 1 Purpose of this document

This Explanatory Statement sets out information known to Timpetra Resources Limited ("**Company**") that is material to the decision of the Company's shareholders as to how to vote on the Resolution to be considered at the General Meeting of shareholders to be held on **Wednesday 17 December 2014** ("**Meeting**").

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision on the Resolution to be considered at the Meeting.

### 2 Proposed return of capital

#### *Return of capital*

The Company proposes to make a cash payment of up to A\$0.147 per fully paid ordinary share as a return of capital ("**Capital Return**").

The Capital Return will be paid in 2 Tranches.

In Tranche 1, the capital return amount would be \$0.124 per ordinary share.

The Board has obtained a preliminary advice on the Company's taxation liabilities and will be seeking a Private Tax Ruling on those liabilities which is estimated will be available within two months from submission of the private ruling application. Upon receipt of that ruling, a Tranche 2 return of capital is expected to be paid.

**The amount of Tranche 2, will depend upon what amount, if any, needs to be retained to pay tax liabilities. Depending on the outcome of the tax ruling, the Tranche 2 distribution will be up to \$0.023 per ordinary share of capital.**

#### *Entitlement<sup>1</sup>*

The Record Date for determining entitlements to receive the Tranche 1 Capital Return is **7.00pm (AEDT) on 23<sup>rd</sup> December 2014** ("**Record Date**").

The Record Date for determining entitlements to receive the Tranche 2 Capital Return is **7.00pm (AEDT) on 20<sup>th</sup> February 2015** ("**Record Date**").

#### *Amount payable*

The Company expects the aggregate amount of the Capital Return payable under Tranche 1 to be approximately A\$7,793,024, based on an amount of up to A\$0.124 per ordinary share for the 62,846,969 ordinary shares expected to be on issue as at the Record Date.

If the actual number of ordinary shares on issue on the Record Date is different than the amount set out above, the aggregate amount of the Capital Return will be adjusted and the amount of Capital Return payable per share will be maintained at A\$0.124 per ordinary share.

**Subject to the availability of funds, the maximum amount of Capital Return payable under Tranche 2 is expected to be approximately A\$1,445,480 based on an amount of up to A\$0.023 per ordinary share for the 62,846,969 ordinary shares expected to be on issue as at the Record Date.**

**If the actual number of ordinary shares on issue on the Record Date is different than the amount set out above, the aggregate amount of the Capital Return will be adjusted and the amount of Capital Return payable per share will be maintained at a maximum of A\$0.023 per ordinary share.**

<sup>1</sup> All dates in the timetable above are indicative only. The Company Reserves the right to vary these dates, in which case the Company will make an announcement to ASX.

## *Payment details*

If the Capital Return is approved by shareholders, the payment due under Tranche 1 will be made on 29<sup>th</sup> December 2014.

Subject to the approval from the shareholders and the receipt of the Private Tax Ruling, the Company proposes to make the payment due under Tranche 2 on 23 March 2015<sup>2</sup>.

Payments will be made by way of direct credit into a nominated bank account, or by cheque if banking details are not provided. Shareholders who have not already done so can nominate or change an account by completing and returning the enclosed Direct Credit Form to the Company. Any fraction of a cent payable to any shareholder in respect of the shareholder's aggregate holding of shares will be rounded to the nearest whole cent.

## *Indicative timetable*

If approved by shareholders, the Capital Return is expected to take effect in accordance with the following timetable:

Event	Date
Notice of General Meeting sent to shareholders	<b>17 November 2014</b>
General Meeting to approve the Capital Return	<b>17 December 2014</b>
Record Date for determining entitlement to receive Tranche 1 Capital Return	<b>23 December 2014</b>
Date of distribution of Tranche 1 Capital Return (cheques despatched or direct credits paid)	<b>29 December 2014</b>
Estimated date of announcement of amount of Tranche 2 Capital Return	<b>16 February 2015</b>
Record Date for determining entitlement to receive Tranche 2 Capital Return	<b>20 February 2015</b>
Estimated date of distribution of Capital Return Tranche 2 (cheques despatched or direct credits paid)	<b>23 March 2015</b>

All dates in the timetable above are indicative only. The Company reserves the right to vary these dates, in which case the Company will make an announcement to ASX.

## **3 Reasons for the Capital Return**

As shareholders would be aware, last year the Directors of the Company stated that they were committed to returning the value of the Company and its underlying shares to at least the A\$0.20, being the value at which the shares were floated, and to providing shareholders with liquidity.

On 31 July 2014, the Company announced its intention to undertake an on-market buy-back of up to 10% of its issued capital. To date, the Company has bought back 5,903,031 ordinary shares or approximately **8.7%** of its 10% target.

The on-market buy-back was a demonstration of the Company's commitment to managing its balance sheet whilst maintaining appropriate flexibility to invest in future opportunities.

As at 30 September 2014, the Company had cash assets of approximately A\$13.8 million. This amount reflects the proceeds from the sale of 90% of the Company's investment in Saracen Mineral Holdings Limited (ASX:SAR) ("**Saracen**").

Since its divestment of 90% of its holdings in Saracen, the Company has been reviewing proposals to unlock value for all of the Company's shareholders at a price and on terms that are in the best interests of all shareholders. The Company has not commenced any new trading or major acquisition activities since

<sup>2</sup> All dates in the timetable above are indicative only. The Company Reserves the right to vary these dates, in which case the Company will make an announcement to ASX.

disposing of its holdings in Saracen, and at the current time, the Company has not identified any new investment opportunities.

Accordingly, the Directors are of the present view that the Company has cash excess to its ongoing needs that should now be returned to its shareholders, in line with the commitment made last year. The Directors have decided to accomplish this by way of the Capital Return.

Further, on 30 October, ASX advised the company that, if the Company does not demonstrate compliance with ASX Listing Rule 12.1 to the ASX's satisfaction by 15 February 2015, ASX may suspend the Company's securities from official quotation.

## 4 Requirements for the Capital Return

### *Equal reduction*

The Capital Return constitutes an equal reduction of the Company's share capital for the purposes of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), because:

- it relates only to ordinary shares of the Company;
- it applies to each holder of ordinary shares in proportion to the number of shares they hold; and
- the terms of the reduction are the same for each holder of ordinary shares.

### *Statutory requirements*

Under the Corporations Act, a company may reduce its share capital if the reduction satisfies three requirements. Each requirement is set out below, together with a description of how that requirement is met in relation to the Capital Return.

REQUIREMENT	HOW THE REQUIREMENT IS SATISFIED
<b>The capital reduction must be fair and reasonable to Company's shareholders as a whole</b>	The Directors of the Company consider that the Capital Return is fair and reasonable to the Company's shareholders as a whole. All shareholders will be treated in the same manner in terms of the proportion of the share capital of the Company being returned.
<b>The capital reduction must not materially prejudice the Company's ability to pay creditors</b>	The Directors of the Company have carefully reviewed the Company's assets, liabilities, and expected cash flows, and believe that the Capital Return will not materially prejudice the Company's ability to pay its creditors. The Directors have also satisfied themselves as to the solvency of the Company following the Capital Return.
<b>The capital reduction must be approved by shareholders under section 256C(1) of the Corporations Act</b>	<p>This requirement is the reason approval for the Capital Return is being sought from the shareholders of the Company. In the context of an equal reduction of capital, the capital reduction must be approved by ordinary resolution of shareholders, which requires a simple majority of votes cast by shareholders entitled to vote on the Resolution in order for it to be carried.</p> <p>In accordance with section 256C(5) of the Corporations Act, a copy of this Notice of General Meeting has been lodged with the Australian Securities and Investments Commission.</p>

**5 Effect of Capital Return***Effect on capital structure*

No shares of the Company will be cancelled as part of the Capital Return, which means that the number of shares held by each shareholder will not change as a result of the Capital Return.

*Special Dividend*

In addition to the Capital Return, the Company will also pay an-unfranked special dividend of up to \$0.043 per ordinary share. As with the Capital Return, the special dividend will be paid in two tranches.

Tranche 1 special dividend will be \$0.036 per ordinary share. Tranche 2 special dividend, the payment of which is subject to the aforementioned private tax ruling, will be \$0.007 per ordinary share. It is intended that the Tranche 1 Capital Return and Tranche 1 Special Dividend are paid at the same time. It is also intended that the Tranche 2 Capital Return and Tranche 2 Special Dividend are also paid at the same time.

*Effect on financial position*

The Company will use its cash reserves to pay the Capital Return. As at **1 November**, the cash balance of the Company was approximately **A\$13.0 million**.

If the Capital Return is implemented, the share capital account of the Company and the Company's cash balance will be reduced by approximately **A\$9,238,504** (being the total amount of the maximum anticipated capital return).

When the Special Dividend is implemented, the retained earnings account of the Company and the Company's cash balance will be reduced by approximately A\$2,702,419 (being the total amount of the maximum anticipated special dividend).

The maximum cash outflow from the capital return and special dividend will be approximately \$11.9 million.

*Effect on share price*

If the Capital Return is implemented, the shares of the Company may trade at a lower share price following the 'ex' date for the Capital Return than they would have done had the Capital Return not been made due to the outflow of funds to the Company's shareholders.

The Capital Return will reduce the share capital represented by each of the Company's ordinary shares in equal proportions.

*Impact on business strategies*

Following the Capital return, the Company will undertake a review of its available opportunities and options for investments in resource and exploration investment opportunities.

*Tax implications for shareholders*

All shareholders are encouraged to seek their own professional advice in relation to their own tax position.

Timpetra Resources Limited proposes to make a payment to its shareholders in the order of \$0.190 per ordinary share ; \$0.043 sourced from retained profits and \$0.147 sourced from its share capital. On this basis it is likely that the payment to shareholders will be considered an unfranked dividend of \$0.043 and a return of capital of \$0.147 for income tax purposes. The likely Australian income tax consequences for you are as follows:

*Unfranked dividend*

The unfranked dividend of \$0.043 will likely be assessable income

*Return of capital**Where you hold your shares on capital account*

Where you continue to hold the shares at the time of the distribution, the \$0.147 return of capital will likely result in Capital Gains Tax ('CGT') Event G1 happening.

Your CGT cost base in the shares will be reduced by the \$0.147 received.

You will make a capital gain to the extent that the return of capital amount you receive exceeds your cost base in the shares.

A CGT discount may be available depending on your circumstances.

Where you sell your shares between the date of entitlement to the return of capital and the payment date, CGT Event C2 will likely happen upon payment of the return of capital. As this CGT event relates to the right to receive the payment there is unlikely to be any associated cost base to apply and the requirements for a CGT discount should not be met.

*Where you hold your shares on revenue account*

Where the shares are held for the purpose of sale, including as trading stock, the return of capital amount received will likely be assessable income under section 6-5 of the Income Tax Assessment Act 1997.

We note that the Commissioner of Taxation is able to make a determination that all or part of the return of capital is an unfrankable dividend for tax purposes. Timpetra Resources Limited has not sought a class ruling in relation to whether the Commissioner of Taxation will exercise this power.

The above statements relate to Australian tax residents, are general in nature and do not take into account your individual circumstances. You should consult with your professional taxation adviser before acting on the information contained in this document.

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**6 Directors' interests**

The number of shares in which each Director of the Company has an interest as at the date of this Notice of General Meeting is set out in the table below. The table also shows the amount each Director is likely to receive under the Capital Return assuming the Resolution is passed and that no shares are acquired or disposed of by the Directors between the date of this Notice of General Meeting and the Record Date.

Director*	Ordinary shares	Options	Amount expected under Capital Return
Mr Martin Priestley	2,000,000	6,875,000**	A\$294,000
Mr Dimitri Burshtein	440,000	6,875,000**	A\$64,680
Mr Douglas O'Neil	NIL	6,875,000**	NIL

\*The shareholdings shown above for the Directors reflect total shareholdings for all shares held in associated companies of Directors.

\*\* Shareholders will be asked to vote for Director options at the Company's annual general meeting to be held on 24 November 2014. Irrespective of the outcome of this vote of shareholders, options will not be exercisable at the record date and thus not eligible to participate in this proposed capital return

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**7 Directors' recommendation**

The Directors unanimously recommend that the shareholders vote in favour of the Resolution to approve the Capital Return. Each Director intends to vote any shares in the Company held or controlled by him in favour of the Capital Return.

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**8 Other relevant information**

There is no further information known to the Company that is material to the decision on how to vote on the Capital Return that is not disclosed in this Explanatory Statement or has not otherwise been previously disclosed to the Company's shareholders.

## NOTES

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the shareholder's behalf. If the shareholder is entitled to cast two or more votes at the Meeting, the shareholder may appoint not more than two proxies to attend and vote on the shareholder's behalf.
2. If a shareholder appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the shareholder's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.
3. A proxy need not be a shareholder of the Company.
4. To appoint a proxy (or two proxies), a proxy form must be signed by the shareholder or the shareholder's attorney duly authorised in writing. If the shareholder is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.
5. The Chairman of the Meeting intends to vote in favour of the Resolution. If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on the Resolution, then, if that shareholder is entitled to vote on the Resolution, the Chairman will vote in favour of the Resolution.
6. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

### **Advanced Share Registry**

**Street address:** 110 Stirling Highway, Nedlands WA 6009

**Mailing address:** PO Box 1156, Nedlands WA 6909

**Fax:** (within Australia) 08 9389 8033  
(outside Australia) +61 8 9389 8033

provided that shareholders who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon so to do at the Meeting.

7. A corporate shareholder entitled to attend and vote at the Meeting may appoint a body corporate representative to attend and vote for the shareholder. Also, as noted previously, a body corporate may be appointed as a proxy.

Timpetra Resources Limited will accept the original appointment, a certified copy of the appointment or a certificate from the company giving notice of the appointment as satisfactory evidence of the appointment.

You can lodge your body corporate representative appointment document before the AGM or present the document at the registration desk at the Meeting.

8. For the purposes of the Meeting, persons on the register of members as at **7.00pm AEDT on Monday, 15<sup>th</sup> December 2014** will be treated as shareholders. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share at the Meeting.





**TIMPETRA RESOURCES LIMITED**  
**ABN 74 143 928 625**

### **Lodge your vote:**



**By Mail:**

Advanced Share Registry Limited  
PO Box 1156  
Nedlands WA 6909

Alternatively you can fax your form to  
(Within Australia) (08) 9262 3723  
(Outside Australia) +61 8 9262 3723

### **For all enquiries call:**

**Telephone:**

(Within Australia) (08) 9389 8033  
(Outside Australia) +618 9389 8033

Email: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

Web: [www.advancedshare.com.au](http://www.advancedshare.com.au)

## **Proxy Form**

### **Instructions**

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows:  
Shareholders must deliver their proxies prior to 15 December 2014 at 11.00am AEDT by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at (08) 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7:00pm AEDT on 15 December 2014 be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of the resolution set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

***Turn over to complete the form →***



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

## Form of Proxy

Please mark ☒ to indicate your directions


### STEP 1 Appoint a Proxy to Vote on Your Behalf

 **PLEASE NOTE:** This proxy is solicited on behalf of the management of Timpetra Resources Limited ABN 74 143 928 625 (the "Company") for use at the meeting of the shareholders of the Company to be held at The Grace Hotel, 77 York Street, Sydney NSW 2000 on 17 December 2014 at 11.00am (AEDT) or any adjournment thereof (the "Meeting").

I/We being a member/s of Timpetra Resources Limited hereby appoint

the Chairman  
of the meeting

OR

 **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following: Proxy 1 is appointed to represent \_\_\_\_\_% of my voting right and Proxy 2 is appointed to represent \_\_\_\_\_% of my total votes. My total voting right is \_\_\_\_\_ shares.

 **PLEASE NOTE:** If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

### STEP 2 Items of Business



**PLEASE NOTE:** 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 your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

FOR

AGAINST

ABSTAIN

Resolution 1: To approve the Return of Capital to Shareholders

☐
☐
☐

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR the resolution.

**SIGN**

Signing by member

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

Individual or Member 1

Sole Director and Sole Secretary

Member 2 (if joint holding)

Director/Company Secretary

Member 3 (if joint holding)

Director

/ /

Date