

# **Notice of General Meeting and Explanatory Statement**

**General Meeting of Members to be held at BDO, Level 7, BDO Centre,  
420 King William Street, Adelaide SA 5000 on  
Monday 7 September 2015 at 11.00 am (CST)**

**UXA RESOURCES LIMITED**

ABN 65 112 714 397

**This is an important document.**

This Notice of General Meeting and Explanatory Statement should be read in its entirety.

If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

## ASX

A draft of this document was provided to ASX for review in accordance with Listing Rule 15.1.4. ASX, and their respective employees and officers do not take any responsibility for this document.

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on 0419 035 297*

CONTENTS	PAGE
Corporate Directory	3
Notice of the Meeting (setting out the proposed resolutions)	4
1. Ratification of Placements	
2. Issue of Shares under Prospectus	
3. Right of Director Peter Hunt to apply for shares	
4. Right of Director David Walker to apply for shares	
5. Right of Director John Santich right to apply for shares	
6. Issue of Options as loan establishment fee	
7. Issue of Shares under conversion right election in loan agreement	
8. Section 611 exemption	
Explanatory Statement (explaining the proposed resolutions)	10
Glossary	35
Proxy Form and Guide	36

## **CORPORATE DIRECTORY**

### **Directors**

Peter Hunt	Non-Executive Chairman
David Walker	Managing Director
John Santich	Non-Executive Director

### **Company Secretary**

Graham Seppelt

### **Registered and Principal Office**

Level 7  
420 King William Street  
Adelaide, South Australia 5001  
Telephone: +61 419 035 297  
Facsimile: +61 8 7421 1499

### **Website**

[www.uxaresources.com.au](http://www.uxaresources.com.au)

### **ASX Code**

UXA

### **Auditors**

Grant Thornton Audit Pty Ltd  
67 Greenhill Road,  
Wayville, South Australia, 5034

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 4, 60 Carrington Street  
Sydney, NSW, 2000

**UXA RESOURCES LIMITED**  
**(ACN 112 714 397)**

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**NOTICE OF GENERAL MEETING**

Notice is hereby given that the General Meeting (**GM**) of the members of UXA Resources Limited (**the Company**) will be held as detailed below:

TIME: 11 am (CST)

DATE: Monday 7 September 2015

PLACE: at the offices of  
BDO, Level 7, BDO Centre, 420 King William St, Adelaide SA 5000

The Explanatory Statement which accompanies this Notice forms part of the Notice.

**ORDINARY BUSINESS**

There is no ordinary business.

**SPECIAL BUSINESS**

**1. RESOLUTION 1 - Ratification of issues of shares under placements**

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

*"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of a total of 6,960,000 fully paid ordinary shares in the Company at \$0.05 per share to investors between 27 January 2015 and 17 June 2015, as referred to in the Company's announcements to the ASX and on the basis set out in section 4 of the Explanatory Statement accompanying the Notice of Meeting, is approved and authorised."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any persons who participated in the placements and their respective associates. However, the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

**2. RESOLUTION 2 – Issue of Shares under a Prospectus**

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

*"That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to raise up to \$3,200,000 under a Prospectus through the issue of Shares at an issue price of 10 cents and otherwise on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the shortfall under the proposed issue and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

### **3. RESOLUTION 3 – Right of Director Peter Hunt to apply for Prospectus Shares**

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

*"That subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 150,000 Shares to Peter Hunt, a Director of the Company, or his nominee under the Prospectus within one month of the date of this Meeting and generally on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Peter Hunt or his nominee and any associates of those persons. However the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

### **4. RESOLUTION 4 – Right of Director David Walker to apply for Prospectus Shares**

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

*"That subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 150,000 Shares to David Walker, a Director of the Company or his nominees under the Prospectus within one month of the date of this Meeting and generally on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by David Walker or his nominee and any associates of those persons. However the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

### **5. RESOLUTION 5 – Right of Director John Santich to apply for Prospectus Shares**

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

*"That subject to Resolution 2 being passed, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 150,000 Shares to John Santich, a Director of the Company, or his nominees under the Prospectus within one month of the date of this Meeting and generally on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by John Santich or his nominee and any associates of those persons. However the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

## **6. RESOLUTION 6 – Issue of Options in payment of loan establishment fees**

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

*"That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 10 million Options to Dalkeith Resources Pty Ltd, in payment of loan establishment fees, within one month of this Meeting as set out below and otherwise on the terms and conditions detailed in the accompanying Explanatory Statement:*

- (i) 5,000,000 options over ordinary shares in UXA exercisable at \$0.10 per share at any time up to 22 October 2017; and*
- (ii) 5,000,000 options over ordinary shares in UXA exercisable at \$0.15 per share at any time up to 22 October 2019."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dalkeith Resources Pty Ltd and any of its associates. However, the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

## **7. RESOLUTION 7 – Conversion of Loan to Shares**

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

*"That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of 5,000,000 Shares to Dalkeith Resources Pty Ltd, in lieu of loan repayment, within one month of this Meeting and otherwise on the terms and conditions detailed in the accompanying Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dalkeith Resources Pty Ltd whose loan is being converted to shares and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a Proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the person chairing the meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.

## **8. RESOLUTION 8 – Approval under s 611, item 7**

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

*"That, subject to Resolutions 4, 6 and 7 being passed, pursuant to section 611 item 7 of the Corporations Act, that the Company approves the acquisition by Dalkeith Resources Pty Ltd (and consequently, as a matter of law, David Walker as controller) of a relevant interest (within the meaning of the Corporations Act) in all Shares and Options in the Company pursuant to each of the share and option issues referred to in Resolutions 4, 7 and 8."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by David Walker and Dalkeith Resources Pty Ltd and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **IMPORTANT INFORMATION**

To assist you in deciding how to vote on the above resolutions, further details as background information to the resolutions are set out in the Explanatory Statement forming part of this Notice of Meeting.

## **YOUR VOTE IS IMPORTANT**

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

## **VOTING ELIGIBILITY**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am (CST) on 24 August 2015.

## **VOTING IN PERSON**

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

## **VOTING BY ATTORNEY**

A Shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by UXA at its registered office, or the addresses listed above for the receipt of proxy appointments, at least 48 hours before the meeting.

## **VOTING BY PROXY**

In accordance with section 249L of the Corporations Act, members are advised that:

- each member entitled to attend and vote at the Meeting has a right to appoint a Proxy;
- the Proxy need not be a member of the Company;

- a member who is entitled to cast 2 or more votes may appoint 2 Proxies and, in the case of such appointment, may specify the proportion or number of votes each Proxy is appointed to exercise;
- if the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each Proxy may exercise half of the votes; and
- the Proxy form included with this Notice of General Meeting must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorized officer or attorney. **To be a valid Proxy, the executed Proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with UXA Resources Ltd as soon as possible and in any event by no later than 11 am on 5 September 2015, being 48 hours before the time for holding the Meeting.** Any Proxy form received after that time will not be valid for the scheduled meeting.

**By Mail:**

UXA Resources Ltd  
Level 7, 420 King William Street  
Adelaide SA 5000

**By fax:**

(within Australia) (08) 7421 1499  
(outside Australia) +61 8 7421 1499

- A Proxy may decide whether to vote on any motion, except where the Proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as Proxy. If a Proxy is director how to vote on a resolution, the Proxy may vote on that resolution only in accordance with that direction. If a Proxy is not directed how to vote on a resolution, the Proxy may vote as he or she thinks fit.

**Corporations Act**

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting on or after 1 August 2011 (whether or not a Proxy was appointed before, on or after that date). Shareholders and their Proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if Proxy holders vote, they must cast all directed Proxies as directed; and
- any directed proxies which are not voted will automatically default to the chair of the meeting, who must vote the proxies as directed.

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

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

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the Proxy must not vote on a show of hands;
- if the Proxy is the chair of the meeting at which the resolution is voted on - the Proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the Proxy is not the chair of the meeting - the Proxy need not vote on the poll, but if the Proxy does so, the Proxy must vote that way (i.e. as directed).

***Transfer of non-chair Proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a Proxy specifies the way the Proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed Proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the Proxy is not recorded as attending the meeting; or
  - the Proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the Proxy for the purposes of voting on the resolution at the meeting.

**DATED: 3 August 2015**

**BY ORDER OF THE BOARD**

**Graham Seppelt**  
Company Secretary

## **EXPLANATORY STATEMENT**

This Explanatory Statement accompanies and forms part of the Notice of General Meeting dated 3 August 2015 and has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held on 7 September 2015. Amongst other things, this Explanatory Statement provides Shareholders with the information required to be provided to Shareholders by the Corporations Act 2001 and the Official Listing Rules of ASX.

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

Terms used in this Explanatory Statement will, unless the context otherwise requires, have the same meaning as given to them in the Glossary contained in this Explanatory Statement.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company.

### **ORDINARY BUSINESS**

The meeting being an extraordinary General Meeting of Shareholders of the Company there is no ordinary business. Financial reports for UXA Resources Limited can be found on the ASX website [www.asx.com.au](http://www.asx.com.au) and on the Company's website [www.uxaresources.com.au](http://www.uxaresources.com.au).

### **SPECIAL BUSINESS**

#### **1. OVERVIEW**

##### **1.1 Background**

On 26 July 2013 UXA was placed into voluntary administration and the Administrator was appointed. The securities of the Company had, on 1 October 2012, been suspended from trading on the Official List of the ASX.

Prior to being placed into Administration, UXA carried out mineral exploration in South Australia, the Northern Territory and New South Wales. The Company had subsidiary companies involved in businesses ancillary to mineral exploration, namely down-hole logging of drill holes in Australia and USA. The Company was listed on the ASX to provide investors with exposure to a range of mineral exploration projects as well as to subsidiaries involved in related businesses.

On 5 November 2013 a Deed of Company Arrangement (DOCA) was approved by creditors to deal with the claims of creditors and the DOCA was executed on 22 November 2013 and the Administrator was appointed the Deed Administrator of the DOCA.

At the time it was placed in Administration, the Company had already sold its down-hole logging businesses but had insufficient cash to continue operations. Since that time non-core exploration has been exited and debts owing to US based investment firms Lind

Partners LLC as general partner of ASOF and La Jolla Cove Investments Inc. under separate convertible note funding agreements have been resolved.

On 5 May 2015 the DOCA was fully effectuated and the Company exited administration. Due to the DOCA all existing provable debts against the Company are released, extinguished and barred, with Admitted Creditors' claims only able to be met from the assets of the Creditors' Trust in accordance with the terms of the DOCA and the Creditors' Trust Deed.

The Company is now under the control of the new directors appointed on 26 August 2014 and is seeking to raise further funds to complete its recapitalisation. Completion of the recapitalisation will provide working capital which will allow the Company to continue its existing exploration activities on its key properties and to pursue new projects by way of acquisition or investment. Subject to the satisfaction of certain conditions imposed by the ASX, the Company will be in a position to have its Shares reinstated to trading on the Official List of the ASX.

The Company intends to lodge a Prospectus for the raising of further funds and the proposed timetable is as set out below. The actual dates of lodgment of the Prospectus, the offer opening and closing dates, placement of shortfall and issue of new shares as well as the date of re-quotation of the Company's shares may vary depending on circumstances at the time.

Event	Date
Dispatch of Notice of General Meeting	Monday, 3 August 2015
Lodgment of Prospectus with ASIC*	Monday, 10 August 2015
Prospectus offer opens	Monday 17 August 2015
General Meeting	Monday, 7 September 2015
Prospectus offer closes	Friday, 18 September 2015
Placement of shortfall Shares	Friday, 25 September 2015
Issue of new Shares	Monday, 28 September 2015
Commencement of trading of new Shares on ASX - subject to re- quotation of securities on ASX	Monday, 28 September 2015

*\* The Record Date for the SPP under the Prospectus is that of the day before the date of this Notice of Meeting.*

## 1.2 Pro forma Capital Structure

Included below is the Pro-Forma Statement of Financial Position for the Company, assuming completion of the issues contemplated by the General Meeting.

As the Company is likely to be in a position to continue trading following the issues the subject of the General Meeting, the valuation of net assets on a going concern basis is the most appropriate methodology for valuing the Company post General Meeting.

	Note	Audited 31 December 2014	Unaudited 30 June 2015	*Pro- Forma post Prospectus
<b>Assets</b>				
<i>Current</i>				
Cash and cash equivalents	1	184	168	2,382
Total Current Assets		184	168	2,382
<i>Non-Current</i>				
Exploration & Evaluation Exp	2	1,132	1,126	1,126
<b>Total Non-Current Assets</b>		1,132	1,126	1,126
<b>Total Assets</b>		1,316	1,294	3,508
<b>Liabilities</b>				
<i>Current Liabilities</i>				
Trade and Other Payables	3	1,737	426	-
Related Party Loans		201	380	-
<b>Total Current Liabilities</b>		1,938	806	-
<b>Total Non-Current Liabilities</b>				
<b>Total Liabilities</b>		1,938	806	-
<b>Net Assets / (Liabilities)</b>		(622)	488	3,508
Shares on issue	4	61,124,255	68,084,255	100,084,255
Value of Shares		(0.01)	0.01	0.03

\* Assumes \$3,200,000 gross raised under the Prospectus and any shortfall placement

## NOTES

### 1. Cash and Cash Equivalents

Cash and cash equivalents have been adjusted for the expected changes that will result from capital raisings by the Company. These adjustments are set out below:

Description	\$ Amount
Cash prior to General Meeting	168,000
Cash Received from Prospectus (incl shortfall placement)	3,200,000
Payment of Prospectus costs	(180,000)
Repay related Party Loans	(380,000)
Payment of Creditors and Accruals	(426,000)
Cash following Completion of Issues	2,382,000

## **2. *Non-Current Assets***

The financial assets considered in the unaudited accounts at 30 June 2015 reflect the Company's interest, most specifically its interest in its mineral tenements.

## **3. *Quotation of New Shares on ASX***

The Company is already admitted to the Official List. However, trading in the Company's Shares was suspended on 1 October 2012. Following completion of the General Meeting and the issue of the Prospectus, the Company intends to apply to have its Shares reinstated to trading on the Official List, including applying for quotation of the Shares offered under the Prospectus.

Reinstatement to the Official List is at the discretion of ASX and will be subject to compliance with ASX regulatory requirements. The ASX has advised that, based on the information provided to the ASX by the Company and subject to compliance with certain conditions precedent, it can see no reason why the securities of the Company should not be reinstated to official quotation,

### **1.3 *Forgiveness of Creditors' Claims***

As part of the DOCA a Creditors' Trust with the Deed Administrator as Trustee was established for the benefit of the Creditors into which the balance of funds paid under the DOCA (after payment of administration fees and expenses) was paid. Under the DOCA, the claims of the Admitted Creditors against the Company are released and extinguished by the payments from the Deed Fund to the eligible creditors or Creditors Trust and the admitted creditors will become beneficiaries of the Creditors Trust.

The DOCA has now been fully effectuated with the above payments having been made to the Creditors Trust.

## **2. *RESOLUTIONS TO COMPLETE RECAPITALISATION***

In order to complete its recapitalisation the Company has convened this General Meeting for the purpose of passing **Resolutions 1 to 8** referred to below in compliance with the Corporations Act and the ASX Listing Rules. Each of those Resolutions relates to recapitalisation of the Company.

Certain voting restrictions are imposed in relation to these Resolutions as detailed in the Notice under the "Voting Exclusion" statement section of each Resolution.

Information in respect of each of those Resolutions follows.

### **2.1 *Resolution 1***

#### ***Ratification of share issues between 27 January 2015 and 17 June 2015***

Under Resolution 1, shareholder ratification is being sought for the issue of 6,960,000 Ordinary Shares which were made to sophisticated and professional investors between 27 January 2015 and 17 June 2015 to provide funds for working capital.

## Additional Information

1. The number of Shares issued is 6,960,000 Ordinary Shares;
2. The Shares were allotted as follows:

<i>Date</i>	<i>Number</i>
16 February 2015	2,500,000
7 May 2015	2,760,000
17 June 2015	1,700,000

3. The price at which the Shares were issued was \$0.05 per Share;
4. The Shares were allotted to sophisticated and professional Investors;
5. The Shares rank equally in all respects with the existing ordinary shares;
6. The issue of the Shares was made to provide additional working capital; and.
7. The placement was made to pursuant to a personalised placement statement.

**The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.** The Chairman intends to vote undirected proxies in favour of this Resolution 1.

### 2.2 Resolution 2 Capital Raising by Prospectus (Resolution 2)

Resolution 2 seeks Shareholder approval for the issue and allotment of up to 32,000,000 Shares at \$0.10 per share to raise up to a total of \$3,200,000 (before costs) (**Capital Raising**) under a prospectus to be issued by the Company (**Prospectus**). The Capital Raising will be by way of Shareholder Purchase Plan (SPP) providing an offer to each registered shareholder of the Company at the record date. The maximum subscription allowable under the requisite legislation is \$15,000 per shareholder.

The aggregate number of shares applied for by shareholders may be less than the maximum amount offered under the Prospectus. Directors are also seeking shareholder approval under this resolution to place any shortfall Shares up to the maximum shortfall in applications so that the Company has access to the full \$3,200,000 sought to be raised under the Prospectus.

The Company intends to lodge the prospectus for the Capital Raising with ASIC after this Notice of Meeting and before the date of the Meeting.

### Voting Exclusion

Listing rule 7.3.8 requires a resolution for the purposes of listing rule 7.1 to have a voting exclusion statement excluding votes of security holders who may participate in the issue, as they may receive a benefit from the passing of the resolution that will not accrue to security holders that do not participate in the issue. The policy of excluding the votes of security holders who may participate in the issue is not applicable where the nature of the issue is such that all eligible security holders may participate on an equal basis. In such cases the exclusion of security holders entitled to participate would mean that no votes could be counted.

Upon application by the Company, ASX has granted UXA a waiver from listing rule 7.3.8 to the extent necessary to permit Resolution 2 not to include a voting exclusion statement that excludes the votes of any person who may participate in the SPP, on condition that the Company excludes any votes cast on that resolution by any proposed underwriter or sub-underwriter of the SPP, any person who may participate in the shortfall under the SPP, and any of their associates.

For the purpose of clarity, it is noted that the offer under the Prospectus is directed to persons only in their capacity as security holders of the Company. Accordingly, all shareholders are entitled to vote on this resolution. Currently, the Directors are unaware of any security holder who is likely to take up securities in any shortfall under the SPP. Any shortfall under the SPP will be allocated by directors at their discretion.

It is not proposed that the SPP will be underwritten.

ASX Listing Rule 7.1

The effect of this Resolution will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX). Approval of the issue will allow the issue to take place without using the 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the offer of Shares under the Prospectus:

- 1) the maximum number of Shares to be issued is 32,000,000;
- 2) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- 3) the issue price will be \$0.10 per Share;
- 4) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's Shares;
- 5) Shareholders of the Company may apply for Shares. If there is an excess of applications then the number of shares allotted will be reduced at the Directors' discretion provided that no application will be reduced beyond a minimum parcel;
- 6) all Shares issued to eligible shareholders under the SPP will be issued at the same time while those issued under the Shortfall may be issued at a later time.
- 7) the Company intends to use the funds raised (\$3,200,000 in raising the maximum subscription) from the Capital Raising for the purposes set out below.

Item	(\$)
Capital Raising Fees	180,000
Exploration programs	1,000,000
Review and development of new investments*	100,000

Company administrative costs	440,000
Working Capital	1,480,000
<b>Total Expenditure **</b>	<b>3,200,000</b>

\* Should the company pursue an investment opportunity, it may be required to comply with the requirements of Listing Rule 11.1 at that time.

\*\*Actual expenditure will depend on the total subscription received under the SPP (including the shortfall placement).

- 8) Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the Company or any related body corporate at the time of issue of this statement; and
- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

**The Board recommends that Shareholders vote in favour of the Resolution.**

### 2.3 Resolution 3

#### **Approval of Shares applied for by Peter Hunt, a Related Party, under Prospectus**

This Resolution seeks Shareholder approval for the issue of up to 150,000 Shares to Peter Hunt, a Director of the Company, or his related parties (**Related Parties**) who may acquire Shares consequent on an application for Shares in the Company pursuant to the Prospectus issued by the Company. The shares would be acquired on the same terms and price as the Shares will be issued to non-related parties under the Prospectus.

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

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

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

The grant of securities to the Related Parties pursuant to application under a Prospectus may constitute the giving of a financial benefit.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed issue of Shares.

The proposed Resolution will permit financial benefits to be given to Peter Hunt, a Director of the Company, and his related parties.

- 1) The nature of the financial benefit to be given to each of the Directors is the issuing of up to 150,000 Shares (\$15,000 at \$0.10) under the Prospectus, the terms of which are described above.
- 2) Peter Hunt or his related parties, being shareholders of the Company, intends to take up their full entitlement to Shares pursuant to the Prospectus, such Shares to be included in the aggregate number of Shares issued under Resolution 2.
- 3) Peter Hunt has a material personal interest in the outcome of Resolution 3 as he will have the right to apply for Shares under the Prospectus if the Resolution is passed.
- 4) Assuming that the maximum amount is raised under the Prospectus, the dilutive effect of the issue of the Shares to the Related Parties will have on the share capital of the Company is minimal.

ASX Listing Rule 10.11

As the grant of the securities in this case involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval of the issue to the Directors will also allow the issue to take place without using the 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following additional information is provided in relation to the issue of the Shares to Peter Hunt:

- 1) If Shareholder approval is obtained the Company will issue the Shares no later than 1 month after this Meeting;
- 2) The Shares will be issued for a price of \$0.10 per Share as set out in the Prospectus.
- 3) The Shares that are issued will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of the Constitution;
- 4) The total amount to be raised from the issuing of the Shares will depend on the number of Shares applied for Peter Hunt under the Prospectus. Peter Hunt intends to apply for his entitlement and therefore the total amount raised would be \$15,000.
- 5) The Company intends to use the funds raised for the purposes as set out under Resolution 2 above in this Explanatory Statement.
- 6) Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the

Company or any related body corporate at the time of issue of this statement;  
and

- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

**The Directors (other than Peter Hunt who has an interest in the Resolution) recommend that Shareholders vote in favour of the Resolution.**

#### 2.4 Resolution 4

##### **Approval of Shares applied for by David Walker, a Related Party, under Prospectus**

This Resolution seeks Shareholder approval for the issue of up to 300,000 Shares to David Walker, a Director of the Company, or his related parties (**Related Parties**) who may acquire Shares consequent on an application for Shares in the Company pursuant to the Prospectus issued by the Company. The shares would be acquired on the same terms and price as the Shares will be issued to non-related parties under the Prospectus.

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

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

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

The grant of securities to the Related Parties pursuant to application under a Prospectus may constitute the giving of a financial benefit.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed issue of Shares.

The proposed Resolution will permit financial benefits to be given to David Walker, a Director of the Company, and his related parties.

- 1) The nature of the financial benefit to be given to David Walker is the issuing of up to 150,000 Shares (\$15,000 at \$0.10) to each of David Walker and Dalkeith Resources Pty Ltd, an entity controlled by David Walker and a shareholder in the Company, under the Prospectus, the terms of which are described above.
- 2) David Walker and Dalkeith Resources Pty Ltd or their related parties, being shareholders of the Company, intends to take up their full entitlement to Shares pursuant to the Prospectus, such Shares to be included in the aggregate number of Shares issued under Resolution 2.

- 3) David Walker has a material personal interest in the outcome of Resolution 4 as he and Dalkeith Resources Pty Ltd will have the right to apply for Shares under the Prospectus if the Resolution is passed.
- 4) Assuming that the maximum amount is raised under the Prospectus, the dilutive effect of the issue of the Shares to the Related Parties will have on the share capital of the Company is minimal.

ASX Listing Rule 10.11

As the grant of the securities in this case involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval of the issue to the Directors will also allow the issue to take place without using the 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following additional information is provided in relation to the issue of the Shares to David Walker and Dalkeith Resources Pty Ltd:

- 1) If Shareholder approval is obtained the Company will issue the Shares no later than 1 month after this Meeting;
- 2) The Shares will be issued for a price of \$0.10 per Share as set out in the Prospectus.
- 3) The Shares that are issued will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of the Constitution;
- 4) The total amount to be raised from the issuing of the Shares will depend on the number of Shares applied for Peter Hunt under the Prospectus. David Walker and Dalkeith Resources Pty Ltd intend to apply for their entitlement and therefore the total amount raised would be \$30,000.
- 5) The Company intends to use the funds raised for the purposes as set out under Resolution 2 above in this Explanatory Statement.
- 6) Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the Company or any related body corporate at the time of issue of this statement; and
- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

**The Directors (other than David Walker who has an interest in the Resolution) recommend that Shareholders vote in favour of the Resolution.**

## 2.5 Resolution 5

### **Approval of Shares applied for by John Santich, a Related Party, under Prospectus**

This Resolution seeks Shareholder approval for the issue of up to 150,000 Shares to John Santich, a Director of the Company, or his related parties (**Related Parties**) who may acquire Shares consequent on an application for Shares in the Company pursuant to the Prospectus issued by the Company. The shares would be acquired on the same terms and price as the Shares will be issued to non-related parties under the Prospectus.

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

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

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

The grant of securities to the Related Parties pursuant to application under a Prospectus may constitute the giving of a financial benefit.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the proposed issue of Shares.

The proposed Resolution will permit financial benefits to be given to John Santich, a Director of the Company, and his related parties.

- 1) The nature of the financial benefit to be given to John Santich is the issuing of up to 150,000 Shares (\$15,000 at \$0.10) under the Prospectus, the terms of which are described above.
- 2) John Santich or his related parties, being shareholders of the Company, intends to take up their full entitlement to Shares pursuant to the Prospectus, such Shares to be included in the aggregate number of Shares issued under Resolution 2.
- 3) John Santich has a material personal interest in the outcome of Resolution 5 as he will have the right to apply for Shares under the Prospectus if the Resolution is passed.
- 4) Assuming that the maximum amount is raised under the Prospectus, the dilutive effect of the issue of the Shares to the Related Parties will have on the share capital of the Company is minimal.

#### ASX Listing Rule 10.11

As the grant of the securities in this case involves the issue of securities to related parties of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Approval of the issue to the Directors will also allow the issue to take place without using the 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following additional information is provided in relation to the issue of the Shares to John Santich:

- 1) If Shareholder approval is obtained the Company will issue the Shares no later than 1 months after this Meeting;
- 2) The Shares will be issued for a price of \$0.10 per Share as set out in the Prospectus.
- 3) The Shares that are issued will rank equally in all respects with existing Shares from the issue date, in accordance with the terms of the Constitution;
- 4) The total amount to be raised from the issuing of the Shares will depend on the number of Shares applied for Peter Hunt under the Prospectus. John Santich intends to apply for his entitlement and therefore the total amount raised would be \$15,000.
- 5) The Company intends to use the funds raised for the purposes as set out under Resolution 2 above in this Explanatory Statement.
- 6) Further details on the use of funds will be set out in the Prospectus that will be issued in respect of the Capital Raising.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the Company or any related body corporate at the time of issue of this statement; and
- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

**The Directors (other than John Santich who has an interest in the Resolution) recommend that Shareholders vote in favour of the Resolution.**

## **2.6 Resolution 6**

### **Issue of Options in payment of loan establishment fee**

Following the 2014 and 2015 Annual General Meetings of the Company and the implementation of certain elements of the DOCA the Company sought equity funds to proceed with the recapitalization of the Company and towards effectuation for the DOCA. With the Company in Administration only limited amounts of equity were able to be raised, and the Company also sought to secure interim loan funding. It was unlikely that the Directors would be able to negotiate non recourse loan funds as a result of which Dalkeith Resources Pty Ltd (Dalkeith), a company controlled by Mr David Walker, a Director of the Company, was approached to provide further working capital.

As a result of an arrangement agreed between them, the DOCA proponent entered into an agreement date 31 December 2013 with David Walker and related parties for the provision of working capital. The Company entered into a further agreement with Dalkeith on 31 December 2014 for the provision of loan funds. Dalkeith has provided a

total of \$763,852 in loans to the Company and as at 31 March 2015 after partial conversion of the loan to equity the amount owing by the Company to Dalkeith was \$213,852.05.

In order to effectuate DOCA and proceed with capital raising the Company again approached Dalkeith to provide loan funds to enable Directors to pay out the Administrator and meet certain outstanding debts due to creditors. An arrangement was struck and an agreement entered into between the Company and Dalkeith dated 31 March 2015 that provided agreement essentially as follows:

- that the amount outstanding as at 31 March 2015 under the loan agreement dated 31 December 2014 was \$213,852.05;
- to incorporate the amount outstanding as at 31 March 2015 into the new loan agreement dated 31 March 2015;
- to lend a further \$200,000 for the purpose of exiting Administration;
- to assume up to \$150,000 of the Company's creditor debts;
- to pay an establishment fee of \$50,000 or to issue (subject to shareholder approval) Dalkeith 10 million Options to acquire ordinary shares in the Company comprising:
  - 5,000,000 options exercisable at \$0.10 per share by 22 October 2017; and
  - 5,000,000 options exercisable at \$0.15 per share by 22 October 2019.
- to grant (subject to shareholder approval) Dalkeith the right to convert up to \$250,000 of the loan at a conversion price of \$0.05 per share if the loan balance is above \$300,000 as at the date of completion of the SPP or 30 September 2015 whichever is the earlier.
- to pay Dalkeith a fee of \$50,000 if shareholder agreement to conversion referred to above is not granted.

Resolution 6 provides for the issue of 10 million options as set out above in the event that Dalkeith elects to receive those options in lieu of the establishment fee of \$50,000.

The independent Directors believed and continue to believe that the agreement between the Company and Dalkeith represented good value for the Company and an opportunity to continue with recapitalization.

The proposed Resolution will permit financial benefits to be given to each of the following:

- a) Dalkeith Resources Pty Ltd
- b) David Walker

the nature of the financial benefit to be given to each of them is the issuing of the Options at \$0.001 per Option.

**The independent Directors recommend that Shareholders vote in favour of the Resolution.**

#### ASX Listing Rule 10.1

ASX Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities to, inter alia, a related party without the approval of holders of ordinary securities:

Listing Rule 10.12 provides an exception to Rule 10.11 where an agreement to issue equity securities is conditional on holders of ordinary securities approving the issue before the issue is made.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of Options by way of a fee for the provision of Loan establishment fee.

- 1) the securities will be issued to Dalkeith, a related party of the Company, or its nominees;
- 2) the number of securities to be issued is 10,000,000 Options;
- 3) the Options will be issued no later than 1 month after the date of the Meeting;
- 4) the issue price for the Options is nil;
- 5) the Options will have an expiry date of 22 October 2017 at an exercise price of \$0.10 per option (as to 5 million options) and 22 October 2019 at an exercise price of \$0.15 per option (as to 5 million options) and otherwise on the terms and conditions set out in Schedule 1;
- 6) no funds will be raised from the issue of the Options but the issue will reduce debt by the alleviation of the necessity to pay an establishment fee of \$50,000.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the Company or any related body corporate at the time of issue of this statement; and
- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

## **2.7 Resolution 7**

### **Conversion of Loan to Shares**

As noted under 2.7 above, a term of the loan agreement dated 31 March 2015 between the Company and Dalkeith Resources Pty Ltd was the grant (subject to shareholder approval) Dalkeith the right to convert up to \$250,000 at a conversion price of \$0.05 per share of the amount owing by the Company to Dalkeith if the loan balance is above \$300,000 at completion of the SPP issue or 30 September 2015, whichever is the earlier. In the absence of shareholder approval the Company is required to pay to Dalkeith a fee of \$50,000 by way of compensation.

Resolution 7 provides for the issue of up to 5,000,000 shares as set out above.

The independent Directors believed and continue to believe that the agreement between the Company and Dalkeith represented good value for the Company and an opportunity to continue with recapitalization.

The proposed Resolution will permit financial benefits to be given to each of the following:

- a) Dalkeith Resources Pty Ltd
- b) David Walker

the nature of the financial benefit to be given to each of them is the issuing of the Shares at \$0.05 per Share.

**The independent Directors recommend that Shareholders vote in favour of the Resolution.**

ASX Listing Rule 10.1

ASX Listing Rule 10.11 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities to, inter alia, a related party without the approval of holders of ordinary securities:

Listing Rule 10.12 provides an exception to Rule 10.11 where an agreement to issue equity securities is conditional on holders of ordinary securities approving the issue before the issue is made.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the securities on conversion of the debt funds.

- 1) the securities will be issued to Dalkeith Resources Pty Ltd, a related party of the Company, or its nominees; and
- 2) the number of securities to be issued is 5 million shares.
- 3) the Shares will be issued no later than 1 month after the date of the Meeting;
- 4) the issue price of the Shares will be \$0.05 per Share;
- 5) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- 6) no funds will be raised from the issue of the Shares but the issue will reduce debt by the reduction of loan funds outstanding by up to \$250,000.

In the Directors' opinion there is no other information that:

- (a) is material in making a decision by a Shareholder in relation to the Resolution, being information that is within the knowledge of any director of the Company or any related body corporate at the time of issue of this statement; and
- (b) has not previously been disclosed to the Shareholders of the Company,

other than the information set out in this document.

## 2.8 Resolution 8

### Approval under Section 611, item 7

Resolution 8 seeks Shareholder approval, for the purpose of Item 7 of Section 611 of the Corporations Act, to allow David Walker and his controlled entity, Dalkeith Resources Pty Ltd (and consequently as a matter of law, each of them) (Walker) to acquire a relevant interest in Shares in the Company. Such approval is required as an issue of Shares in accordance with Resolutions 4, 6 and 7 may result in Mr. Walker's voting power in the Company increasing from a starting point above 20% to another level below 90%.

Pursuant to ASX Listing Rule 7.2 (Exception 16), Listing Rule 7.1 does not apply to an issue of securities approved for the purpose of Item 7 of Section 611 of the Corporations Act. Accordingly, if Shareholders pass Resolution 7, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- a) from 20% or below to more than 20%; or
- b) from a starting point that is above 20% and below 90%.

### *Voting Power*

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

### *Associates*

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

- a) the first person is a body corporate and the second person is:
  - a. a body corporate the first person controls;
  - b. a body corporate that controls the first person; or
  - c. a body corporate that is controlled by an entity that controls the person;
- b) the second person has entered or proposed to enter into a relevant agreement with the first person for the purpose of controlling or

influencing the composition of the company's board or the conduct of the company's affairs; or

- c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the company's affairs.

#### *Relevant Interests*

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- a) are the holder of the securities;
- b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- a) a body corporate in which the person's voting power is above 20%;
- b) a body corporate that the person controls.

Mr. Walker holds more than 20% interest in Dalkeith Resources Pty Ltd. Mr. Walker is also a director of Dalkeith.

#### **Reason Why Section 611 Approval is Required**

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition described above. A person may, with shareholder approval, acquire a relevant interest in a company's voting shares from a starting point above 20% to another level below 90%.

Mr David Walker, a director of the Company, and related parties hold or have an interest in the following securities in UXA:

- 38,190,000 ordinary shares
- 1,000,000 options exercisable at \$0.10 at any time before 22 October 2017
- 2,000,000 options exercisable at \$0.15 at any time before 22 October 2019

The 38,190,000 ordinary shares represent 56.1% of the current issued ordinary shares in the Company.

As a consequence of the passing of Resolutions 4, 6 and 7, Mr Walker may be issued with further shares and options in the Company. The maximum number of new shares and options to be issued under the Resolutions if they are passed are:

<i>Resolution</i>	<i>Maximum securities to be issued</i>
4	300,000 ordinary shares
7	5,000,000 options exercisable at \$0.10 before 22 October 2017 5,000,000 options exercisable at \$0.15 before 22 October 2019
8	5,000,000 ordinary shares

As a consequence of these security issues and in the absence of the issue of any shares under the Prospectus issue as contemplated in Resolutions 4, 6 and 7, the holdings of Mr Walker and related parties will increase to 43,190,000 ordinary shares in UXA, representing 63.4% of the expanded issued capital.

However, it is likely that a significant number of new shares will be issued under the proposed SPP Prospectus, and these shares will have a dilutive effect on Mr Walker's holdings in the Company, notwithstanding each director's intention (including Mr Walker) to take up his entitlement under the Prospectus. If the maximum number of 32,000,000 shares is issued under Resolutions 4, 6 and 7; then Mr Walker's potential 43,340,000 ordinary shares in UXA will fall to 43.3% of the expanded issued capital of the Company.

As David Walker is the ultimate controller of Dalkeith Resources, he will have a relevant interest in any securities held by those entities under section 608(3)(b) of the Corporations Act

#### **Relevant Interest and Voting Power**

The relevant interests of David Walker and his Associates in voting shares in the capital of the Company, as well their relevant voting power, (both current, and following the issue of Shares as contemplated by this Notice) are set out in the table below:

<b>Party with Relevant Interest in Shares</b>	<b>Registered Holder of Shares</b>	<b>Relevant Interest in Shares after the issue of the maximum number of Shares</b>	<b>Voting Power after the issue of maximum number of Shares*</b>
David Walker	Dalkeith Resources	25,340,000	25.3%
David Walker	David Walker	18,000,000	18.0%
<b>Total</b>		<b>43,340,000</b>	<b>43.3%</b>

*\* After the issue of the maximum number of shares under the Prospectus*

#### **Reasons for the proposed issue of securities**

The reasons for the proposed issue of Shares are set out in this Explanatory Statement under the explanatory notes for each of the relevant Resolutions.

#### *Date of proposed issue of securities*

The dates for the proposed issue of Shares are set out in this Explanatory Statement under the explanatory notes for each of the relevant Resolutions.

#### *Material terms of proposed issue of securities*

The material terms of the Shares are set out in this Explanatory Statement under the explanatory notes for each of the relevant Resolutions.

#### **Walker's Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Mr Walker:

- 1) has no present intention of making any significant changes to the business of the Company;
- 2) has no present intention to inject further capital into the Company;
- 3) has no present intention of making changes regarding the future employment of the present employees of the Company;
- 4) does not intend to redeploy any fixed assets of the Company;
- 5) does not intend to transfer any property between the Company and Mr Walker or any of his associates; and
- 6) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to Mr Walker and his associates at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

#### **Advantages and Disadvantages**

Section 3 of this Explanatory Statement sets out some advantages and disadvantages that may be relevant to a Shareholder's decision on how to vote on Resolution 7. It also sets out some information about the impact of the recapitalisation proposal and the consequent share issues on the Company and Shareholders.

**The Directors other than David Walker (who has an interest in the Resolution) recommends that Shareholders vote in favour of the Resolution.**

### **3. IMPACT ON COMPANY AND SHAREHOLDERS**

#### **3.1 Advantages and Disadvantages**

The issues of Shares and Options for the purposes of capitalisation as contemplated by the Resolutions are, in most part, independent of each other. However, the Directors are of the view that Shareholders need to consider all of the Resolutions as a whole and consider the capitalisation proposal as a whole when considering the advantages and disadvantages.

The Directors consider that the recapitalisation of the Company has certain advantages and disadvantages more particularly set out in the following paragraphs.

#### **Advantages**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- 1) With the recapitalisation being implemented it is likely the Company will have sufficient funds to continue its exploration program;
- 2) The Company will have negligible liabilities, compared with the current position under which the Company has a net deficit;
- 3) The issue of the Shares, if approved by Shareholders, will see the Company's cash position increase to over \$1 million upon receipt of the funds;
- 4) The Company's ability to seek re-quotation on the ASX is enhanced;
- 5) If the Company's Shares are reinstated to trading, liquidity in the Shares is improved making it easier for Shareholders to sell their Shares on the ASX;
- 6) The funds raised will enable the Company to:
  - a) conduct further exploration on the Company's Tenements; and
  - b) fund the working capital requirements of the Company.

#### **Disadvantages**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- 1) The Resolutions will dilute, though not significantly, existing Shareholders' voting interests in the Company. The combined voting power of the Mr Walker and his Associates will increase from 56.1% to up to 63.4% (diluting down to 43.3% post Prospectus) after the issue of the Capital Raising Shares. The existing Shareholders' total combined voting power will increase from 43.9% to 56.7% after the issue of the Capital Raising Shares. This assumes that a total of 32,000,000 Capital Raising Shares are issued under the Prospectus.
- 2) Assuming the Capital Raising Shares are issued, a risk for the Company is that the proposed exploration programs on the Company's Tenements will not result in exploration success.

### 3.2 Effect of the Recapitalisation Proposal

The Company's shares were last traded on the ASX on 1 October 2012 and the Administrator was appointed as administrator of the Company on 26 July 2013. Accordingly, historic ASX share trading prices for the Company are not considered a reliable indicator of the value of the Shares.

Due to the Company's current situation, lack of profit making history and a current lack of cashflow, maintainable earnings are also not considered to be a reliable basis for assessing the value of the Shares.

The Administrator has previously estimated that, on a liquidation basis, there would be a deficiency of net assets and Creditors would be unlikely to receive any return if a recapitalisation proposal did not proceed. Since that time the Company has exited administration, the creditors of the Company at the time of administration have been discharged, and significant new capital has been raised.

An independent estimate of the value of the Company's shares was provided by DRM Corporate in a report dated 10 October 2014 and which accompanied the notice of meeting lodged with the ASX on 14 October 2014 for the Company's 2013 Annual General Meeting held on 14 November 2014. In that independent report, DMR Corporate estimated the value of ordinary shares, on a post-administration basis and after raising a total of \$650,000 of new capital, including a premium for control, to be 2.29 cents per share and, for independent shareholders, after deducting the control premium, to be between 1.6 and 1.8 cents per share.

The Company's independent Directors believe that conditions for the Company have not changed significantly since the date of DMR Corporate's independent report and therefore they recommend that Shareholders vote in favour of the Resolution as being fair and reasonable.

## 4. OTHER INFORMATION

### 4.1 Director Interests

As at the date of this Notice, the Directors and their respective related parties of the Company have the following relevant interests (for the purposes of the Corporations Act) in shares in the Company at the date of the Meeting and on implementation of the Resolutions.

<b><i>Director</i></b>	<b><i>No. of Shares currently held</i></b>	<b><i>No. of Shares held post Resolutions</i></b>	<b><i>No. of Options currently held</i></b>	<b><i>No. of Options held post Resolutions</i></b>
Peter Hunt	3,000,000	3,150,000	3,000,000	3,000,000
David Walker*	38,190,000	43,340,000	3,000,000	13,000,000
John Santich	3,000,000	3,150,000	3,000,000	3,000,000

\* assumes maximum take up under the various share issues approved by Shareholders under the Resolutions.

## 4.2 Future Business Plans

On the passage of the Resolutions, the Company will retain the following assets:

- (a) an interest in the mineral Tenements; and
- (b) its status on the ASX as a listed company.

The Company plans to retain the Tenements, exploring these and seeking additional investment opportunities in advanced mineral projects, whether in listed or unlisted companies, which it either believes to be significantly undervalued or to which it can add value through its own technical and managerial expertise.

## 4.3 Use of Funds - Expenditure Plan

An indicative expenditure plan for the funds raised under the Resolutions is set out below.

Item	(\$)
Capital Raising Fees	180,000
Exploration programs	1,000,000
Review and development of new investments	100,000
Company administrative costs	440,000
Working Capital	1,480,000
<b>Total Expenditure *</b>	<b>3,200,000</b>

\*Actual expenditure will depend on the total subscription received under the SPP (including the shortfall placement).

The expenditure plans are the best estimates available to the Company at this time. It is important to recognize that although certain parts of the budget allocations are committed expenditure, plans are subject to change to suit emerging results, progress, circumstances and opportunities.

## 4.4 ASIC and ASX's Role

Under the Corporations Act and the ASX Listing Rules, the Notice of Meeting and Explanatory Statement must be lodged with ASIC and the ASX before being dispatched to shareholders.

The fact that the Notice and Explanatory Statement and other accompanying documents have been lodged with ASIC and ASX is not to be taken as an indication of the merits of the Resolutions or the Company. ASIC, ASX and their respective officers do not take any responsibility for any decision a Shareholder may make on reliance of any of this documentation.

## SCHEDULE 1

### TERMS AND CONDITIONS OF OPTIONS

1. Each Option (**Option**) entitles the holder (**Option Holder**) to subscribe for a Share in the Company.
2. The Options are, subject to any restriction on the Options vesting in the Option Holder, exercisable at any time up to and including the Expiry Date.
3. The Expiry Date for the Options are:
  - a. In the case of the 3 Year Options - 5.00 pm (Central Summer Time in Australia) on 22 October 2017; and
  - b. In the case of the 5 Year Options - 5.00 pm (Central Summer Time in Australia) on 22 October 2019(the **Expiry Date**). Any Options not exercised on or before their respective Expiry Date will automatically lapse.
4. The Exercise Price for the Options are:
  - a. In the case of the 3 Year Options - \$0.10 per Share; and
  - b. In the case of the 5 Year Options - \$0.15 per Share
5. All Shares in the Company allotted on the exercise of Options will rank equally in all respects with the then existing Shares.
6. The Company must apply for quotation of all Shares in the Company allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.
7. Application will not be made to ASX for quotation of the Options.
8. An Option Holder may only participate in new issues of securities (**New Issue**) to holders of Shares in the Company if the Options have been exercised and Shares allotted in respect of the New Options before the record date for determining entitlements to the New Issue. The Company must give to the Option Holder at least 7 Business Days' notice of any New Issue before the record date for determining entitlements to the New Issue in accordance with the ASX Listing Rules.
9. There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue) .
10. If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Options are exercisable will be increased by the number of Shares which an Option Holder would have received if the Option had been exercised before the record date for the Bonus Issue (Bonus Shares).
11. Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as the date of issue of the Bonus Shares.
12. If prior to the expiry date there is a re-organisation of the issued capital of the Company, the Options are to be treated in the manner set out in the ASX Listing Rules.

## GLOSSARY

**Administrator** means Mr. Adam Shepard of Farnsworth Shepard.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Official Listing Rules of ASX.

**Board** means the Board of Directors of the Company from time to time.

**Claims** means a debt or claim against the Company by an Admitted Creditor.

**Closely Related Party** means a related party of a member of the Key Management Personnel as defined in section 9 of the Corporations Act.

**Company** means UXA Resources Limited ABN 65 112 714 397.

**Completion** means completion pursuant to the terms of the Reconstruction Deed.

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

**Creditors' Trust** means the trust established in accordance with the DOCA.

**Dalkeith** means Dalkeith Resources Pty Ltd ACN 061 721 453.

**Directors** means the directors of the Company.

**DOCA** means the deed of company arrangement entered into by the Administrator on 22 November 2013.

**KMP or Key Management Personnel** means a member of the key management personnel as disclosed in the remuneration report.

**Notice of Meeting** means this notice and includes the Explanatory Statement and Proxy form.

**Options** means the 3 year Options and the 5 year Options over ordinary Shares on the terms set out in Schedule 1.

**Prospectus** means a prospectus to be issued by the Company pursuant to Chapter 6D of the Corporations Act.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolution** means each resolution set out in this Notice.

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

**Shareholder** means a holder of a Share in the Company.

**Tenements** means two granted Exploration Licences and eight applications for Exploration Licences in the Northern Territory and two granted Exploration Licences in South Australia, all held 100% by UXA Resources Limited.

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**UXA RESOURCES LIMITED**

ABN: 65 112 714 397

**REGISTERED OFFICE:**Level 7, 420 King William Street  
Adelaide SA 5000**All Correspondence to:**Level 7, 420 King William Street  
Adelaide SA 5000**For all enquires call:**Within Australia: 0419 035 297  
Outside Australia +61 419 035 297«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

Code:

UXA

Holder Number:

«HOLDER\_No.»

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11.00am on **Monday 7 September 2015** at Level 7, 420 King William Street Adelaide 5000 and at any adjournment of that meeting.**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTIONS****FOR****AGAINST****ABSTAIN\***

1. Ratification of Issues of Shares under Placements
2. Issue of Shares under a Prospectus
3. Right of Director Peter Hunt to apply for Prospectus Shares
4. Right of Director Peter Hunt to apply for Prospectus Shares
5. Right of Director Peter Hunt to apply for Prospectus Shares
6. Issue of Options in lieu of Loan Establishment Fees
7. Conversion of Loan to Shares
8. Approval under S611, item 7 of Corporations Act

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Proxies must be received by UXA Resources Limited no later than 11.00am on 5 September 2015.**

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular 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.

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## SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director Secretary

Director/Company Secretary

My/Our contact details in case of enquiries are:

Name:

Number:

( )

### 1. NAME AND ADDRESS

This is the name and address on the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If you wish to appoint the chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A.

If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

### 5. SIGNING INSTRUCTIONS

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

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

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by UXA Resources Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

#### UXA Resources Limited

Level 7, 420 King William Street  
Adelaide SA 5000

#### All Correspondence to:

Level 7, 420 King William Street  
Adelaide SA 5000

#### For all enquires call:

Within Australia: 0419 035 297  
Outside Australia +61 419 035 297

Email (Company Secretary): seppelt@bold.net.au

### PRIVACY STATEMENT

Personal information is collected on this form by UXA Resources Limited as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by UXA Resources Limited or you would like to correct information that is inaccurate please contact them on the address on this form.

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