

Raya Group Limited ACN 122 203 196

Notice of Extraordinary General Meeting and Explanatory
Memorandum

Date of Meeting: 24 September 2015
Time of Meeting: 10:30 am (Adelaide time)
Place of Meeting: The Watson (Studio Room)
33 Warwick Street
Walkerville SA 5081

Notice of Extraordinary General Meeting

Notice is given that an Extraordinary General Meeting of shareholders of Raya Group Limited ACN 122 203 196 (**Company**) will be held at The Watson (Studio Room), 33 Warwick Street, Walkerville SA 5081 on Thursday 24 September 2015 at 10:30am (Adelaide time).

Agenda

Ordinary business

1. Ratification of Previous Placement

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue and allotment of 108,100,304 fully paid ordinary shares in the Company (**Previous Shares**) on 25 May 2015 for a consideration of \$540,500 (representing an issue price of \$0.005 per Previous Share) to Otsana Capital and other professional and sophisticated investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth).”*

Voting Exclusion Statement

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

- any person who received Previous Shares; and
- any associate of such persons.

However, the Company need not disregard a vote if:

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

2. Approval to Issue Placement Shares

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That in accordance with the provisions of Listing Rule 7.1, and for all other purposes, the Company and the Directors of the Company are authorised to issue up to \$5,000,000 worth of fully paid ordinary shares (**Placement Shares**) at an issue price per Placement Share of not less than 80% of the volume weighted average market price of the Company’s shares calculated over the last 5 days on which sales in the shares of the Company were recorded before the day on which the share placement is made, to various sophisticated, professional or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act 2001 (Cth) and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*

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Voting exclusion statement

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

- any person who may participate in the proposed issue of the Placement Shares and any person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed; and
- any associate of such a person.

However, the Company need not disregard a vote if:

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

3. Approval for the issue of Shares to Mr Athan Lekkas or his associates or nominees

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of Part 2E and s 208(1) of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 15,000,000 Shares to Mr Athan Lekkas, his associates or his nominees at an issue price of \$0.0005 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Ordinary Resolution by Mr Athan Lekkas and any of his associates or nominees.

However, the Company need not disregard a vote if:

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

4. Approval for the issue of Shares to Mr Daniel Lanskey or his associates or nominees

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of Part 2E and s 208(1) of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 7,500,000 Shares to Mr Daniel Lanskey, his associates or his nominees at an issue price of \$0.0005 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Ordinary Resolution by Mr Daniel Lanskey and any of his associates or nominees.

However, the Company need not disregard a vote if:

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

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5. Approval for the issue of Shares to Mr Michael Clarke or his associates or nominees

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of Part 2E and s 208(1) of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 10,000,000 Shares to Mr Michael Clarke, his associates or his nominees at an issue price of \$0.0005 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Ordinary Resolution by Mr Michael Clarke and any of his associates or nominees.

However, the Company need not disregard a vote if:

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

6. Approval for the issue of Shares to Dr Brendan de Kauwe or his associates or nominees

6.1 To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

“That for the purposes of Part 2E and s 208(1) of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of up to 7,500,000 Shares to Dr Brendan de Kauwe, his associates or his nominees at an issue price of \$0.0005 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Ordinary Resolution by Dr Brendan de Kauwe and any of his associates or nominees.

However, the Company need not disregard a vote if:

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

7. Approve Entry into the Directors' Fee Plan

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*“That for the purposes of Listing Rule 7.2 exception 9 and all other purposes, the Directors' Fee Plan, which is summarised in the **attached** Explanatory Memorandum, be approved and the Company be authorised to issue fully paid ordinary shares to executive and non-executive directors of the Company within three (3) years from the date of this Resolution as an exception to Listing Rules 7.1 and 7.1A of the ASX Listing Rules”.*

Voting Exclusion Statement

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

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- a director of the Company (except one who is ineligible to participate in the Directors' Fee Plan); and
- an associate of that person (or persons).

However, the Company need not disregard a vote if:

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

Key Management Personnel voting exclusion statement

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

- (a) any Key Management Personnel (which includes the Chair) of the Company, or if the Company is part of a consolidated entity, of the entity; or
- (b) a Closely Related Party of such Key Management Personnel

who is appointed as a Shareholder's proxy, where the Shareholder does not direct in writing the way the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this resolution if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not direct in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

8. Approval of Issue of Shares pursuant to Directors' Fee Plan

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

*"That in accordance with Listing Rule 10.14 and for all other purposes, subject to approval of Resolution 7, the Company be authorised to issue up to 50,000,000 fully paid ordinary shares to Mr Athan Lekkas, Mr Daniel Lanskey, Mr Michael Clarke and Dr Brendan de Kauwe (or their nominees) (**Participating Directors**) under the Directors' Fee Plan (for the issue of shares to Directors in lieu of fees) as set out in the Explanatory Memorandum over the course of the period, that is 36 months from the date of the Meeting (**Plan Shares**)".*

Voting Exclusion Statement

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

- a director of the Company (except one who is ineligible to participate in the Directors' Fee Plan) and if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in an employee incentive scheme by anyone else, that person; and
- an associate of that person (or persons).

However, the Company need not disregard a vote if:

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

Key Management Personnel voting exclusion statement

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

- (c) any Key Management Personnel (which includes the Chair) of the Company, or if the Company is part of a consolidated entity, of the entity; or
- (d) a Closely Related Party of such Key Management Personnel

who is appointed as a Shareholder's proxy, where the Shareholder does not direct in writing the way

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the proxy is to vote on the Resolution.

However, the Company need not disregard a vote on this resolution if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not direct in writing the way the proxy is to vote on the Resolution, on the condition that the appointment of proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, of the entity.

Special business

9. Amendment to Constitution

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

“That, for the purposes of sections 136(2) and 648G of the Corporations Act 2001 (Cth), ASX Listing Rule 15.13 and for all other purposes, the Constitution of the Company is amended in the form set out in Annexure D to the Explanatory Memorandum with immediate effect.”

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board

Mrs. Julie Edwards
Company Secretary
17 August 2015

Introduction

This Explanatory Memorandum is provided to shareholders of **Raya Group Limited** ACN 122 203 196 (**Company**) to explain the resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at The Watson (Studio Room), 33 Warwick Street, Walkerville SA 5081 on Thursday 24 September 2015 commencing at 10:30am (Adelaide time).

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

Terms used in this Explanatory Memorandum are defined in Section 7 Interpretation.

The Notice of Meeting sets out the details of nine separate, ordinary and special resolutions to be put to Shareholders comprising the following:

Ordinary Resolutions

1. Resolution 1 – Ratification of Previous Placement

As announced on 25 May 2015 the Company successfully placed 108,100,304 shares to Otsana Capital and other professional and sophisticated investors to raise \$540,500.

In accordance with Listing Rule 7.4, Shareholder approval is sought to ratify the issue and allotment of the Previous Shares, being issues of securities made by the Company on 25 May 2015 for which shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

Listing Rule 7.4 provides that an issue of securities made without prior approval under Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

If Resolution 1 is approved it will have the effect of refreshing the Company's ability, to the extent of the Previous Shares, to issue further capital during the next 12 months pursuant to Listing Rule 7.1 without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 1 is not passed, the Previous Shares will be counted toward the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

For the purposes of Listing Rule 7.5 the Company provides the following information:

- a) **Number of Securities Issued:**
108,100,304 Previous Shares were issued.
- b) **Issue Price of Securities:**
The Previous Shares were issued at (\$0.005) per Previous Share.
- c) **Terms of the Issued Securities:**
The Previous Shares are fully paid ordinary shares and will rank equally with existing Shares on issue.
- d) **Recipients of the Issued Securities**
Otsana Capital and other professional and sophisticated investors.

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e) Use of Funds

The funds raised from the issue of the Previous Shares were to be used for general working capital and to evaluate any other complementary or non-complementary opportunities that may have the potential to create additional shareholder value.

The Directors recommend that you vote in favour of Resolution 1.

2. Resolution 2 – Approval to issue Placement Shares

Resolution 2 seeks shareholder authorisation to issue up to \$5,000,000 worth of new Shares at an issue price per Share of not less than 80% of the volume weighted average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the Placement Shares are issued to one or more sophisticated, professional or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

The funds raised by the issue of the Placement Shares will be used by the Company in its existing business, review and development of new business opportunities and to provide working capital to the Company.

At this stage the Company has not committed to undertaking the Placement, nor the price at which Placement Shares will be issued. However, pursuant to Resolution 2 the Company is seeking the approval of Shareholders to provide it with flexibility to undertake the Placement within the 3 months following the meeting. The Placement will raise a maximum of \$5,000,000 in total.

Listing Rule 7.1

In accordance with Listing Rule 7.1, Shareholder approval is sought for the issue of the Placement Shares to one or more sophisticated, professional or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Equity securities issued with shareholder approval under Listing Rules 7.1 or 7.4 do not count towards the 15% limit under Listing Rule 7.1 or the 10% limit under Listing Rule 7.1A.

By passing Resolution 2, the Company will be permitted to issue the Placement Shares during the 3 months after the meeting without using the Company's placement capacity pursuant to Listing Rule 7.1 or 7.1A.

For the purposes of Listing Rules 7.3, the Company provides the following information:

a) Number of Securities to be issued

Up to \$5,000,000 worth of Placement Shares are expected to be issued within 3 months after the date of the Meeting. The number of Placement Shares to be issued will be determined by dividing the value of the Placement by the issue price of the Placement Shares (as determined by the Directors subject to the parameters set out below). The Placement Shares will be issued progressively.

b) Issue price of the Securities

The Placement Shares will be issued for an issue price per Placement Share to be determined by the Directors, which shall be not less than 80% of the volume weighted average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the Placement Shares are issued.

c) Terms of the Securities

The Placement Shares issued will be fully paid ordinary shares and rank equally with existing Shares on issue.

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d) Recipients of the Securities

The Placement Shares will be issued to one or more sophisticated, professional or other investors that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act. The Placement Shares will not be issued to any recipient who, upon such issue, and in combination with that recipient's associates, would have a Relevant Interest in excess of 19.99% of the Shares in the Company, unless further Shareholder approval is obtained or the issue of Placement Shares to that recipient otherwise complies with Chapter 6 of the Corporations Act.

e) Use of funds

The funds raised will be used by the Company in its existing business, review and development of new business opportunities and to provide working capital to the Company.

The Directors recommend that you vote in favour of Resolution 2.

3. Resolutions 3, 4, 5 and 6 – Approval for Mr Athan Lekkas, Mr Daniel Lanskey, Mr Michael Clarke and Dr Brendan de Kauwe to be issued Shares

Background

The performance of the Company depends upon the quality of its Directors. The compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives. In deciding the remuneration and incentives of the Directors, the Board considers that there should be an appropriate mix of remuneration comprising cash and securities to link the remuneration of the Directors to the financial performance of the Company. Equity based incentives consistent with the Company's remuneration policy better aligns the Directors' performance with the Company's financial position.

The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives. The Directors consider the remuneration policy to be a sensible and well balanced policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

Accordingly, Resolutions 3,4, 5, and 6 seek the approval of Shareholders for the issue and allotment of a total of 40,000,000 shares to Directors (**Director Incentive Shares**) (in aggregate) to the Directors of the Company, their associates or their nominees as follows:

- a) up to 15,000,000 Director Incentive Shares to Mr Athan Lekkas, his associates or his nominees.
- b) up to 7,500,000 Director Incentive Shares to Mr Daniel Lanskey, his associates or his nominees.
- c) up to 10,000,000 Director Incentive Shares to Mr Michael Clarke, his associates or his nominees.
- d) up to 7,500,000 Director Incentive Shares to Dr Brendan de Kauwe, his associates or his nominees.

(together the **Recipients**).

The Director Incentive Shares will form part of the remuneration for each of the current Directors and will assist in aligning the performance of the Directors with the performance of the Company. The Directors believe that the issue of the Director Incentive Shares are reasonable remuneration for the Directors and provide appropriate incentives for the Directors to commit time and resources towards leading the Company and capitalising on its potential and growing the business for the benefit of the Shareholders.

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The Director Incentive Shares will be issued as fully paid ordinary shares to each of the Directors of the Company respectively, following the payment of the issue price of the shares to the Company by each Director.

Any issue and allotment of the Director Incentive Shares to Directors must occur within 1 month of this Meeting pursuant to ASX Listing Rule 10.13.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company without shareholder approval unless the benefit falls within one of various exceptions to the general prohibition. The process for and requirements that need to be met for the convening of the shareholder's meeting are set out in Chapter 2E of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely and includes a director of a public company, and entities controlled by him or her.

A "financial benefit" for the purposes of the Corporations Act has a very wide meaning. It includes the public company issuing securities to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

The proposed Resolutions 3, 4, 5 and 6 if passed, will confer a financial benefit on the Recipients. By virtue of each of the Recipients being a Director of the Company or an associate or nominee of a Director of the Company, the Recipients are each a related party of the Company.

Accordingly, the Company seeks to obtain Shareholder approval for the giving of a financial benefit to the Recipients through the issue of the Director Incentive Shares, in accordance with the requirements of Chapter 2E of the Corporations Act. For this reason, and for all other purposes, the following information is provided to Shareholders.

a) The related party to whom Resolutions 3, 4, 5 and 6 would permit the financial benefit to be given

In respect of Resolution 3, Mr Athan Lekkass, a Director of the Company.

In respect of Resolution 4, Mr Daniel Lanskey, a Director of the Company.

In respect of Resolution 5, Mr Michael Clarke, a Director of the Company.

In respect of Resolution 6, Dr Brendan de Kauwe, a Director of the Company.

b) The nature of the financial benefit

The nature of the proposed financial benefit to be given to each Recipient is the issue of the following number of Director Incentive Shares at an issue price of \$0.0005 per Share:

- a. in respect of Resolution 3, up to 15,000,000 Shares to Mr Athan Lekkass, his associates or nominees;
- b. in respect of Resolution 4 up to 7,500,000 Shares to Mr Daniel Lanskey, his associates or nominees;

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- c. in respect of Resolution 5 up to 10,000,000 Shares to Mr Michael Clarke, his associates or nominees; and
- d. in respect of Resolution 6 up to 7,500,000 Shares to Dr Brendan de Kauwe, his associates or nominees.

c) Directors' recommendation:

Mr Athan Lekkas has an interest in the outcome of Resolution 3. Because of his interest in the outcome, Mr Lekkas does not make a recommendation in relation to Resolution 3. All Directors other than Mr Lekkas recommend that Shareholders vote in favour of Resolution 3.

Mr Daniel Lanskey has an interest in the outcome of Resolution 4. Because of his interest in the outcome, Mr Lanskey does not make a recommendation in relation to Resolution 4. All Directors other than Mr Lanskey recommend that Shareholders vote in favour of Resolution 4.

Mr Michael Clarke has an interest in the outcome of Resolution 5. Because of his interest in the outcome, Mr Clarke does not make a recommendation in relation to Resolution 5. All Directors other than Mr Clarke recommend that Shareholders vote in favour of Resolution 5.

Dr Brendan de Kauwe has an interest in the outcome of Resolution 6. Because of his interest in the outcome, Dr de Kauwe does not make a recommendation in relation to Resolution 6. All Directors other than Dr de Kauwe recommend that Shareholders vote in favour of Resolution 6.

The reasons for the recommendations by the Directors include:

1. the grant of the Director Incentive Shares as proposed to each Director will provide them with reward and incentive for future services they will provide to the Company to further the progress of the Company;
2. the Director Incentive Shares are not intended as a substitute for salary or wages or as a means for compensation for past services; and
3. in the Company's circumstances as they existed as at the date of the Notice of Meeting, the Director Incentive Shares provide a cost-effective and efficient incentive as opposed to alternative forms of incentives (e.g. cash bonuses, increased remuneration).

d) Director's interests and other remuneration

a. Mr Athan Lekkas Executive Chairman

Mr Athan Lekkas has a material personal interest in the outcome of Resolution 3, as it is proposed that the Director Incentive Shares the subject of Resolution 3 be issued to him or his associates or nominees.

Excluding the Directors' Incentive Shares the subject of Resolution 3 and Shares that may be issued pursuant to Resolution 8, Mr Athan Lekkas (and entities associated with him) currently holds 23,700,000 Shares in the Company and 19,000,000 Options.

Mr Athan Lekkas currently receives remuneration of \$85,410 per annum (total cost to the Company) from the Company for his services as the Executive Chairman.

If all of the Director Incentive Shares are issued to Mr Athan Lekkas pursuant to Resolution 3, the effect on Mr Athan Lekkas' direct and indirect holdings in the Company is set out in Annexure C.

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b. **Mr Daniel Lanskey Managing Director**

Mr Daniel Lanskey has a material personal interest in the outcome of Resolution 4, as it is proposed that the Director Incentive Shares the subject of Resolution 4 be issued to him or his associates or nominees.

Excluding the Director Incentive Shares the subject of Resolution 4 and Shares that may be issued pursuant to Resolution 8, Mr Daniel Lanskey (and entities associated with him) currently holds 52,990,474 Shares in the Company and 33,333,333 Options.

Mr Daniel Lanskey currently receives remuneration of \$120,000.00 per annum (total cost to the Company) for his services as Managing Director.

If all of the Director Incentive Shares are issued to Mr Daniel Lanskey pursuant to Resolution 4, the effect on Mr Daniel Lanskey's direct and indirect holdings in the Company is set out in Annexure C.

c. **Mr Michael Clarke Non-Executive Director**

Mr Michael Clarke has a material personal interest in the outcome of Resolution 5, as it is proposed that the Director Incentive Shares the subject of Resolution 5 be issued to him or his associates or nominees.

Excluding the Director Incentive Shares the subject of Resolution 5 and Shares that may be issued pursuant to Resolution 8, Mr Michael Clarke currently holds 17,739,797 Shares in the Company and 12,500,000 Options.

Mr Michael Clarke currently receives remuneration of \$49,275 per annum (total cost to the Company) for his services as a Non-Executive Director.

If all of the Director Incentive Shares are issued to Mr Michael Clarke pursuant to Resolution 5, the effect on Mr Michael Clarke's direct and indirect holdings in the Company is set out in Annexure C.

d. **Dr Brendan de Kauwe**

Dr Brendan de Kauwe has a material personal interest in the outcome of Resolution 6, as it is proposed that the Director Incentive Shares the subject of Resolution 6 be issued to him or his associates or nominees.

Excluding the Director Incentive Shares the subject of Resolution 6 and Shares that may be issued pursuant to Resolution 8, Dr Brendan de Kauwe does not currently hold any securities in the Company.

Dr Brendan de Kauwe currently receives cash remuneration of \$19,710.00 per annum (total cost to the Company) for his services as a Non-Executive Director.

If all of the Director Incentive Shares are issued to Dr Brendan de Kauwe pursuant to Resolution 6, the effect on Dr Brendan de Kauwe's direct and indirect holdings in the Company is set out in Annexure C.

e) **Valuation**

Shares in the same class as the Director Incentive Shares are currently quoted on the ASX and as such will have a tradeable market value.

Based solely on the closing price on the ASX Market Price of Shares on 14 August 2015 being multiplied by the number of the Director Incentive Shares, the Director Incentive Shares had a total indicative market value of \$160,000. Additionally, the VWAP of the Company's Shares for the 15 trading days between 27 July 2015 and 14 August 2015 was

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\$0.004 giving the Director Incentive Shares a total indicative market value of \$160,000 using this VWAP. Further details in this regard are set out below:

Director	No. of Shares	Value based on closing price on (\$0.004)	Value based on 15 trading day VWAP \$0.004	Issue Price (\$0.0005)
Mr Athan Lekkas	15,000,000	60,000	60,000	\$7,500
Mr Daniel Lanskey	7,500,000	30,000	30,000	\$3,750
Mr Michael Clarke	10,000,000	40,000	40,000	\$5,000
Dr Brendan de Kauwe	7,500,000	30,000	30,000	\$3,750

In the event that the Director Incentive Shares are issued at \$0.0005 per Share, this would represent a 87.5% discount to the closing Share price on 14 August 2015 (being \$0.004 per Share) and would represent a discount of approximately 87.5% to the VWAP for the 15 trading days between 27 July 2015 and 14 August 2015.

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

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

a. **Market Price movements:**

The valuation of the Director Incentive Shares noted above is based on a market price of the Shares.

There is a possibility that the market price of the Shares on the date of issue of the Director Incentive Shares will be different to the price noted above and that the market price of the Shares will change up to the date of the Meeting. The effect on the valuation for the Director Incentive Shares, of movements in the market price of the Shares is set out below:

Market Price	Valuation Total Mr Athan Lekkas	Valuation Total Mr Daniel Lanskey	Valuation Total Mr Michael Clarke	Valuation Total Dr Brendan de Kauwe
	15,000,000 Shares	7,500,000 Shares	10,000,000 Shares	7,500,000 Shares
\$0.003	\$45,000	\$22,500	\$30,000	\$22,500
\$0.004	\$60,000	\$30,000	\$40,000	\$30,000
\$0.005	\$75,000	\$37,500	\$50,000	\$37,500
\$0.006	\$90,000	\$45,000	\$60,000	\$45,000
\$0.007	\$105,000	\$52,500	\$70,000	\$52,500

b. **Trading History of the Shares (over the past 12 months)**

As at 14 August 2015 the closing price of the Shares on ASX was \$0.004

Set out below is the trading history of the Shares over the past 12 months.

	Market Price 14 August 2015	Closing price during prior 6 months	Closing Price during prior 12 months
High	\$0.004	\$0.006	\$0.017

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	Market Price 14 August 2015	Closing price during prior 6 months	Closing Price during prior 12 months
Low	\$0.004	\$0.004	\$0.004

c. Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Director Incentive Shares is the dilutionary impact on the issued share capital of the Company. To the extent that the dilutionary impact caused by the issue of the Director Incentive Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Director Incentive Shares is dependent upon a concomitant increase in the value of the Company generally.

d. Taxation Consequences

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

e. Dilutionary Effect

If all the Director Incentive Shares are issued to the Recipients per Resolutions 3, 4, 5 and 6, the dilutionary effect on the issued capital of the Company is set out in Annexure B.

Listing Rule 10.11

Listing Rule 10.11 requires the approval of Shareholders before securities in the Company can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

In accordance with Listing Rule 7.2 (exception 14), as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

The following information is given under Listing Rule 10.13 in relation to securities that are proposed to be issued to Mr Athan Lekkas, his associates or nominees, pursuant to Resolution 3.

Related Party	Mr Athan Lekkas, his associates or his nominees.
Maximum number of securities to be issued	Up to 15,000,000 Director Incentive Shares.
Date the Company will issue the securities	The Company will issue the Director Incentive Shares to Mr Athan Lekkas, his associates or his nominees within one month after the date of the Meeting.
Relationship to Company	Mr Athan Lekkas is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting, parties associated with Mr Lekkas hold 23,700,000 Shares and 19,000,000 Options.
Issue price of the securities	\$0.0005
Intended use of funds	The funds raised by the issue of the Director Incentive Shares (which will be nominal) will be to provide working capital to the Company

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The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Mr Daniel Lanskey, his associates or his nominees, pursuant to Resolution 4.

Related Party	Mr Daniel Lanskey, his associates or his nominees.
Maximum number of securities to be issued	Up to 7,500,000 Director Incentive Shares.
Date the Company will issue the securities	The Company will issue the Director Incentive Shares to Mr Daniel Lanskey, his associates or his nominees within one month after the date of the Meeting.
Relationship to Company	Mr Daniel Lanskey is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting, parties associated with Mr Lanskey hold 52,990,474 Shares and 33,333,333 Options.
Issue price of the securities	\$0.0005
Intended use of funds	The funds raised by the issue of the Director Incentive Shares (which will be nominal) will be used to provide working capital to the Company

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Mr Michael Clarke, his associates or his nominees, pursuant to Resolution 5.

Related Party	Mr Michael Clarke, his associates or his nominees.
Maximum number of securities to be issued	Up to 10,000,000 Director Incentive Shares.
Date the Company will issue the securities	The Company will issue the Director Incentive Shares to Mr Michael Clarke, his associates or his nominees within one month after the date of the Meeting.
Relationship to Company	Mr Michael Clarke is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting, parties associated with Mr Clarke hold 17,739,797 Shares and 12,500,000 Options.
Issue price of the securities	\$0.0005
Intended use of funds	The funds raised by the issue of the Director Incentive Shares (which will be nominal) will be used to provide working capital to the Company

The following information is given under Listing Rule 10.13 in relation to the securities that are proposed to be issued to Dr Brendan de Kauwe, his associates or his nominees, pursuant to Resolution 6.

Related Party	Dr Brendan de Kauwe, his associates or his nominees.
Maximum number of securities to be issued	Up to 7,500,000 Director Incentive Shares.
Date the Company will issue the securities	The Company will issue the Director Incentive Shares to Dr Brendan de Kauwe, his associates or his nominees within one month after the date of the Meeting.
Relationship to Company	Dr Brendan de Kauwe is a related party for the purpose of Chapter 10 of the Listing Rules because he is a Director of the Company. As at the date of this Notice of Meeting, parties associated with Dr de Kauwe do not hold any securities in the Company.
Issue price of the securities	\$0.0005
Intended use of funds	The funds raised by the issue of the Director Incentive Shares (which will be nominal) will be used to provide working capital to the Company

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Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 3, 4, 5, and 6.

4. Resolution 7 – Approval of Entry into Directors’ Fee Plan

Pursuant to Resolution 7, the Company is seeking Shareholder approval for the entry of the Directors’ Fee Plan for the purpose of Listing Rule 7.2 exception 9 and for all other purposes.

The Directors have resolved to refer to Shareholders for approval the Directors’ Fee Plan (**Plan**) and the proposed issue of Shares to Directors pursuant to the Directors’ Fee Plan.

Background

The Directors are seeking to implement the Directors’ Fee Plan in order to give the Company flexibility in respect of payments of fees to Directors being made in cash or by way of issue of Shares. Under the Directors’ Fee Plan, a Director may elect to receive all or part of remuneration owing to them by way of issue of Shares, which shall be issued at the closing price for Shares as at the business day prior to the date of electing to receive Plan Shares pursuant to the Directors’ Fee Plan. Details of the Directors’ Fee Plan are set out in Annexure A. The Company has not implemented a directors’ fee plan in the previous three years and as such no securities have previously been issued by the Company under a directors’ fee plan during that time.

Listing Rule 7.1

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

As a result, any issue of Shares by the Company under the Directors’ Fee Plan would reduce the Company’s 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9 of Listing Rule 7.2 however, allows a company to issue securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 where shareholders of a company have approved the issue of securities pursuant to an employee incentive scheme as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 7 is being put to the Shareholders for this purpose and will allow the Company to utilise Exception 9 to Listing Rule 7.2 for 3 years from the date of the Resolution being passed.

5. Resolution 8 – Approval of Issue of Shares to Directors in Lieu of Fees

Subject to Resolution 7 receiving Shareholder approval, the Directors have resolved to refer to Shareholders for approval of the proposed issue and allotment of up to a maximum of 50,000,000 Shares to Mr Athan Lekkas, Mr Daniel Lanskey, Mr Michael Clarke and Dr Brendan de Kauwe, or their nominees, (**Participating Directors**) under the Directors’ Fee Plan. If Resolution 7 is not passed, then Resolution 8 will be withdrawn and not considered or voted upon at the Meeting. The terms of the Shares to be issued to the Participating Director (**Plan Shares**) are set out in more detail below.

Background

The maximum number of Plan Shares which may be issued to the Participating Directors over the 3 years following the Meeting is 50,000,000.

Under the Directors’ Fee Plan, a Participating Director may elect to receive all or part of any fees owing to them or their associates by way of issue of Shares, which shall be issued at the

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closing price for Shares on the ASX on the business day prior to the issue of Plan Shares pursuant to the Directors' Fee Plan.

The impact of the issue of the maximum number of Plan Shares on the issued Share capital of the Company is set out Annexure B.

Listing Rules

Listing Rule 10.14 states that an entity must not permit a director, or that director's associate, to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of such an issue. The notice of meeting to obtain approval must comply with either Listing Rule 10.15 or 10.15A. Listing Rule 10.15A applies as the Company wishes to issue Plan Shares (as contemplated in the Notice of Meeting) by no later than 3 years after the date of the Meeting.

For the purposes of Listing Rule 10.15A and for all other purposes, the following information is provided with regard to the issue of Plan Shares:

- (a) Each of the persons to whom Plan Shares are proposed to be issued under this Resolution are Directors.
- (b) The maximum number of securities that may be acquired by all persons for whom approval is required is 50,000,000 Plan Shares. The number of Plan Shares to be issued from time to time will be determined by dividing the amount of fees that have been nominated for payment by issue of Plan Shares by the price set out in (c) below.
- (c) The Plan Shares will be issued at the closing price of the Shares on the ASX, the day before the issue of the Plan Shares.
- (d) No Directors of the Company have previously received Plan Shares.
- (e) Plan Shares will only be issued to the Participating Directors (that is, Mr Athan Lekkas, Mr Daniel Lanskey, Mr Michael Clarke and Dr Brendan de Kauwe) under any approval obtained and will not be issued to any person not named in this Notice of Meeting without obtainment of further Shareholder approval to any such issue under Listing Rule 10.14.
- (f) A voting exclusion statement accompanies that Notice of Meeting in respect of Resolution 8.
- (g) There is no loan attaching to the issue of the Plan Shares.
- (h) Details of the Shares issued under the Directors' Fee Plan will be published in each Annual Report in respect of a period in which Shares under the Directors' Fee Plan are issued and each relevant Annual Report will also state that approval to issue securities was obtained under Listing Rule 10.14.
- (i) The Plan Shares are intended to be issued as and when elections are made by Participating Directors under the Directors' Fee Plan, the intention being that Plan Shares would be issued to the Participating Directors at the end of each quarter, but in any event by no later than 3 years from the date of the Meeting.

Key Details of the Plan Shares

Plan Shares will be fully paid ordinary shares and will rank equally with existing Shares on issue. A summary of the key terms of the Directors' Fee Plan is set out in Annexure A.

Directors' Interest and other remuneration

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Excluding the Plan Shares, details of the Shares and Options currently held by the Directors are set out in Annexure C.

Details of the Director's current remuneration (inclusive of superannuation) per annum (total cost to the Company) is set out in section 3(d) of this Explanatory Statement.

At the date of this Notice of Meeting there are no unpaid fees owing to the Directors.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by this Resolution.

Directors' Recommendation

The Participating Directors, being Directors of the Company, have a material personal interest in the outcome of this Resolution, as it is proposed that Plan Shares be granted to them (or their nominee) and as such, abstain and do not make any recommendations in respect of this Resolution.

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6. Resolution 9 - Amendment of Constitution

Introduction

The Company seeks to amend its Constitution with respect to the following matters:

- proportional takeovers;
- unmarketable parcels; and
- dividends.

Section 136(2) of the Corporations Act provides that a Company can only modify its constitution by a special resolution. Resolution 9 is a Special Resolution and as such must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

In accordance with the Corporations Act and the Listing Rules, the Company provides the following information to Shareholders when considering the proposed amendments to the Company's constitution.

a) Proportional Takeovers

The Company's Constitution does not currently contain provisions dealing with proportional takeover bids for Shares that are made in accordance with the Corporations Act. Accordingly, the Company is now seeking to provide proportional takeover approval provisions in its Constitution.

If Resolution 9 is approved, the proposed proportional takeover provisions will have effect for 3 years from the date Resolution 9 is passed.

What is a proportional takeover bid, and why do we need the proportional takeover approval provisions?

A proportional takeover bid includes the bidder offering to buy a proportion only of each Shareholder's Shares in the Company. Accordingly, if accepted, the Shareholder would sell a portion of their Shares and retain the balance. This means that control of the Company may pass without members having the chance to sell all their Shares to the bidder.

In order to deal with this possibility, section 648D of the Corporations Act provides that a company may include in its constitution a provision that enables it to refuse to register the transfer of shares acquired under a proportional takeover bid unless the bid is approved at a general meeting of the company.

The Directors consider that Shareholders should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without Shareholders being given the opportunity to dispose of all of their Shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid Shareholders feeling pressure to accept the bid even if they do not want it to succeed.

What is the effect of the proportional takeover approval provisions?

If Resolution 9 is approved, Rule 26 of the Constitution would be inserted and become effective as and from approval. This would require that any proportional takeover bid be approved at a general meeting of the class of members the subject of the bid.

If a proportional takeover bid is made, the directors must ensure that members vote on a resolution to approve the bid not less than 15 days before the bid period closes.

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The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. However, the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for 3 years after the date they are adopted as part of the Company's constitution. As noted above, the provisions may be renewed or reinserted upon the expiry of the initial 3 year period, but only by a special resolution passed by Shareholders.

Potential advantages and disadvantages

The insertion of the proportional takeover approval provisions will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The proportional takeover approval provisions in Rule 26 will ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including by using appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

Additionally, a proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all their Shares to the bidder. As such, Shareholders may be left as minority holders. Rule 26 provides Shareholders with an element of control over any proportional takeover process whereby they may collectively determine whether the bid is acceptable.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. It may also result in Shareholders losing the opportunity to sell some of their Shares at a premium under a proportional takeover bid and may reduce the likelihood of a proportional takeover bid being successful. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their Shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

Existing proposals

As at the date on which this statement was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

b) Unmarketable Parcels

The Company's Constitution does not currently contain provisions dealing with unmarketable parcels (minimum holdings) of shareholdings. Accordingly, the Company is now seeking to provide for the ability to purchase from Small Holders their unmarketable parcels in its Constitution.

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Rule 27 provides for the process for the sale of minimum holdings. Rule 27 allows the Company to issue a notice to Small Holders that the Company is going to undertake a sale of unmarketable parcels. Those Small Holders, upon receipt of such notice, can provide notice to the Company electing to be omitted from the sale and retain their shareholding. Shares held by shareholders who increase their holding above a marketable parcel prior to the specified election date (and who have not otherwise elected to retain their shares) will not be subject to sale. If a Small Holder fails to provide the required notice to the Company that Small Holder's shareholding will be the subject of the sale as an unmarketable parcel. The Board may only implement a process for the sale of minimum holdings once in any 12 month period. This is consistent with Listing Rule 15.13

c) Dividends

In recent years, the test for declaring and paying dividends pursuant to the Corporations Act has changed from a profits test to a net assets test. Section 254T of the Corporations Act provides that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Company's Constitution is not currently in line with the Corporations Act with respect to the basis for declaring and paying dividends. As such, the Company now seeks to update the rules governing dividends within its Constitution. The proposed new Rule 17 seeks to update the dividend provisions of the Constitution to comply with the requirements for dividends only to be paid if the net assets test is satisfied which is consistent with section 254T of the Corporations Act.

Rule 17.11A clarifies the position with respect to payment of dividend in specie, with additional provisions inserted to provide for ease of execution of any necessary transfer documents and to provide for the agreement of Shareholders becoming members of any other corporation where shares in another corporation represent the asset being distributed.

The Company currently holds listed shares in Pryme Energy Limited. In the event that the amendments to the Constitution proposed by Resolution 9 are approved, the Directors may have the flexibility to distribute those Pryme Energy Limited shares to Shareholders as a dividend. As at the date of the Notice of Meeting, the Directors have not made any determination as to whether any Pryme Energy Limited shares may be distributed to Shareholders as a dividend.

Board recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

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7. Interpretation

In this Explanatory Memorandum:

ASX means the ASX Limited ABN 98 008 624 691;

Board means the board of directors of the Company;

Chairman means the person appointed to the position of chairman of the Board;

Closely Related Parties of a member of the Key Management Personnel for an entity means:

- a) a spouse or child of the member; or
- b) a child of the member's spouse; or
- c) a dependant of the member of the member's spouse; or
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- e) a company the member controls; or
- f) a person prescribed by the regulations for the purposes of this paragraph.

Company means Raya Group Limited ACN 122 203 196;

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time;

Directors mean directors of the Company;

Directors' Fee Plan means the directors' fee plan as summarised in Annexure A;

Director Incentive Shares means up to 40,000,000 Shares to be issued to Directors of the Company and their associates or nominees as contemplated by Resolutions 3 to 6 in this Notice of Meeting;

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting;

Key Management Personnel or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

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

Meeting means the extraordinary general meeting of Shareholders to be held at The Watson (Studio Room) 33 Warwick Street Walkerville SA 5081 on Thursday 24 September 2015 at 10:30am (Adelaide time);

Notice of Meeting or **Notice** means the notice of meeting convening the Meeting and the Explanatory Memorandum;

Options mean an option to subscribe for ordinary Shares in the capital of the Company;

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

Participating Director means each of Mr Athan Lekkas, Mr Daniel Lanskey, Mr Michael Clarke and Dr Brendan de Kauwe;

Placement means the capital raising proposed to be undertaken by the Company by way of the placement of Shares to professional, sophisticated and other exempt investors as contemplated by Resolution 2 in the Notice of Meeting;

Placement Shares has the meaning given to that term in the Notice of Meeting in respect of Resolution 2;

Plan Shares has the meaning given to that term in the Explanatory Memorandum in respect of Resolution 8;

Previous Shares has the meaning given to that term in the Notice of Meeting in respect of Resolution 1;

Relevant Interest has the meaning given to that term in the Corporations Act.

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Resolution means a Resolution to be proposed at the Meeting;

Shareholder means a holder of Shares in the Company;

Shares means ordinary fully paid shares in the issued capital of the Company;

Small Holder has the meaning as set out in Rule 27.2 of Annexure D of this Explanatory Memorandum.

Special Resolution means a Resolution passed by more than 75% of the votes cast at a general meeting of shareholders;

VWAP means the volume weighted average market price of Shares as traded on ASX.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mrs. Julie Edwards (Company Secretary):

*Level 6, 412 Collins St, Melbourne, VIC 3000
(03) 9642 0655*

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ANNEXURE A DIRECTORS' FEE PLAN

1. All executive and non-executive Directors of the Company are entitled during the term of this Directors' Fee Plan (**Plan**) to elect by written notice to the Company (**Election Notice**) to be paid some or all of the remuneration due and owing to them or their associates by the Company from time to time as fees for services in respect of acting as a Director or in respect of any consulting work undertaken by the Director or its associates (**Outstanding Remuneration**) by way of an issue of ordinary shares (**Plan Shares**).
2. An Election Notice may be given by an Executive or non-executive Director (**Participating Director**) within ten Business Days after the end of each Quarter during the Plan and must specify:
 - a) the amount of any Outstanding Remuneration that a Participating Director wishes to be paid by way of Plan Shares under the Plan; and
 - b) whether the Participating Director wishes to have the Plan Shares issued in his or her own name or in the name of a nominee (**Recipient**).
3. An Election Notice may be given to the Company in any manner permitted under the Constitution for service by the Company of notices.
4. Plan Shares may be issued to each Participating Director who elects (or their nominee), by giving an Election Notice, to be issued Plan Shares in lieu of any Outstanding Remuneration.
5. The obligation of the Company to issue any Plan Shares is subject to obtainment of any approvals which may be required under:
 - a) the Listing Rules; or
 - b) the Corporations Act.
6. The issue price of each Plan Share will be the closing price of Shares on the ASX on the Business Day before an Election Notice is given by a Participating Director and any fractional entitlement to be issued Plan Shares must be rounded up to the nearest whole number.
7. The Company must:
 - a) issue the Plan Shares to the Recipient within three Business Days of receipt of an Election Notice;
 - b) cause a cleansing notice to be issued under section 708A(5) of the Corporations Act in respect of the Plan Shares;
 - c) promptly deliver a statement of holding to the Recipient in respect of the Plan Shares; and
 - d) cause the Plan Shares to be listed on ASX as soon as reasonably practicable at the Company's cost and expense.
8. Unless otherwise approved by Shareholders of the Company, the maximum number of Plan Shares which may be issued by the Company in of the three years following approval of the Plan is 50,000,000 Plan Shares.

For the purposes of interpretation of the Plan:

Quarter means a period of three months commencing on 1 January, 1 April, 1 July or 1 October.

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Other terms used in the Plan have the meanings given to them in the Listing Rules.

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ANNEXURE B ISSUED SHARE CAPITAL TABLE

Description	Number of Shares ¹	% of issued Share Capital ¹
Shares currently on issue	600,000,000	35.50%
Placement Shares ²	1,000,000,000	59.17%
Director Incentive Shares ³	40,000,000	2.37%
Plan Shares ⁴	50,000,000	2.96%
Total	1,690,000,000	100.00%

Notes:

- (1) *Assumes no additional Shares are issued other than those contemplated by the Notice, including there being no exercise of existing Options.*
- (2) *Assumes that all Placement Shares are issued.*
- (3) *Assumes all Director Incentive Shares are issued.*
- (4) *Assumes the maximum number of Plan Shares are issued.*

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ANNEXURE C INTERESTS OF DIRECTORS IN ISSUED CAPITAL

Director (including associated entities)	Current Share Holding (Direct & Indirect)	% of Current Total Share Capital ¹	Shareholding Upon issue of Director Incentive Shares	% of Total Share Capital following issue of Director Incentive Shares ^{1 2}	% of Total Share Capital following issue of Director Incentive Shares and Placement ^{1 3}	Options
Mr Athan Lekkas	23,700,000	3.95%	38,700,000	6.05%	2.29%	19,000,000
Mr Daniel Lanskey	52,990,474	8.83%	60,490,474	9.45%	3.58%	33,333,333
Mr Michael Clarke	17,739,797	2.96%	27,739,797	4.33%	1.64%	12,500,000
Dr Brendan de Kauwe	0	0	7,500,000	1.17%	0.44%	0

Notes:

- (1) Assumes no additional Shares are issued other than those contemplated by the Notice, including there being no exercise of existing Options.
- (2) Assumes that:
 - (A) all Director Incentive Shares are issued;
 - (B) no Placement Shares are issued; and
 - (C) no Plan Shares are issued.
- (3) Assumes that:
 - (A) all Director Incentive Shares are issued;
 - (B) 1,000,000,000 Placement Shares are issued at \$0.005 per Placement Shares (which price is as yet to be determined) which would raise \$5 million); and
 - (C) no Plan Shares are issued.

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ANNEXURE D AMENDMENTS TO CONSTITUTION

Resolution 9 proposes that the Constitution be amended by:

1. Amending clause 17 of the Constitution by deleting clauses 17.1 – 17.14 and replacing those clauses with the following:

17. Dividends

In this Rule:

Dividend means any dividend, including an interim dividend and includes distribution by way of a bonus issue of shares.

Equity means the amount by which the Company's assets exceed the Company's liabilities in accordance with section 254T of the Corporations Act.

Paid or Paid up means amounts paid and does not include amounts credited as paid or paid up.

Shares means ordinary fully paid shares in the issued capital of the Company.

Reserves

17.1 The Directors may, before declaring any Dividend, set aside out of the Equity or profits of the Company, such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the Equity or profits of the Company may be properly applied. Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested as the Directors think fit. The Directors may carry forward so much of the profits or Equity remaining as they consider ought not to be distributed as dividends without transferring those profits or Equity to a reserve.

Entitlement to Distribute a Dividend

17.2 Subject to:

- (a) this Constitution;
- (b) the Corporations Act in relation to when a company may pay a Dividend; and
- (c) the special conditions or rights (if any) as to Dividends attaching to any Shares,

the Directors shall be entitled to declare or determine that a Dividend is payable and direct payment of such Dividend as permitted by law, including, unless prevented by the Listing Rules or the Corporations Act, to particular members wholly or partly out of any particular fund or reserve, out of profits derived from any particular source (whether current, past or reserved profits) or out of Equity, and to the other members wholly or partly out of any other particular fund or reserve, out of profits derived from any other particular source (whether current, past or reserved profits) or out of Equity. Payment of Dividends on the shares shall be in proportion to the amounts Paid up on such shares respectively at the date of declaration of the Dividend.

[See LR 6.11]

Calculation and Apportionment of Dividends

17.3 If any capital is Paid up on any share in advance of calls or otherwise on the footing that the same shall carry interest, such capital while carrying interest shall not confer a right to participate in Dividends.

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[See LR 6.11]

- 17.4 *Subject to Rules 17.1 and 17.2, all Dividends shall be apportioned and paid proportionately to the amounts Paid on the shares during any portion or portions of the period in respect of which the Dividend is declared unless any share is issued on terms providing that it shall rank for Dividend as from a particular date in which case it shall only rank for Dividend from that date.*

[See LR 6.11]

Declaration of a Dividend

- 17.5 *Subject to this Constitution and the Corporations Act, the Directors may from time to time declare and pay to the members such final Dividends as appear to the Directors to be justified by the Equity or profits of the Company.*
- 17.6 *The Company does not incur a debt merely by fixing the amount or time for payment of a Dividend. A debt arises only when the time fixed for payment arrives. The Directors may rescind a decision to pay a Dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.*

Directors may authorise interim dividend

- 17.7 *Subject to this Constitution and the Corporations Act, the Directors may from time to time declare and pay to the members such interim Dividends as appear to the Directors to be justified by the Equity or profits of the Company.*

No Interest on Dividends

- 17.8 *No Dividend shall bear interest against the Company.*
- 17.9 *A declaration by the Directors as to the amount of Equity or profit available a for Dividend shall be conclusive and binding on all members of the Company.*

Entitlement to Dividend

- 17.10 *All Dividends shall belong and be paid (subject to any lien or charge) to those members who are on the Register at the date on which the Dividend is declared payable despite any subsequent transfer or transmission of shares, provided that the Directors may retain any Dividend payable on a share in respect of which any person is entitled under Rule 7 to become a member or which any person is entitled to transfer under that Rule, until such person shall become a member in respect of such share or shall duly transfer the same as the case may be.*
- 17.10A *A transfer of shares shall not pass the right to any Dividend declared after such transfer and before the registration of the transfer.*

Deductions from dividends

- 17.11 *The Directors may deduct from any Dividend payable to any member all sums of money, if any, presently payable by the member to the Company on account of calls or otherwise in relation to the shares of the Company.*

Distribution of specific assets

- 17.12 *The Directors, when paying or declaring a Dividend, may direct payment of a Dividend wholly or partly by the distribution of specific assets, including fully paid shares in, debentures of or other securities of, the Company or any other corporation.*
- 17.12A *If the Company distributes to its members, by way of Dividend, shares in another corporation:*

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- (b) *the members will be deemed to have agreed to become members of that corporation and to have agreed to be bound by the constitution of that corporation; and*
- (c) *each member appoints the Company or any of the Directors as its agent and attorney to agree to become a member of that corporation and be bound by the constitution of that corporation and to execute any transfer of shares or other document required to effect the distribution of shares to the members.*

17.13 *If a difficulty arises in regard to such a distribution, the directors may settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient. If a distribution of specific assets to a particular member or members is illegal or, in the Directors' opinion, impracticable then the Directors may make a cash payment to that member or members on the basis of the cash amount of the dividend instead of the distribution of specific assets.*

Payment of Dividend, Receipts by Joint Holders and Notice

17.14 *Any Dividend, interest or other money payable in cash in respect of shares may be paid by:*

- (a) *cheque sent through the post directed to the address of the holder as shown in the Register or, in the case of joint holders, to the address shown in the Register as the address of the joint holder first named in the Register or to such other address as the holder or joint holders in writing directs or direct and every such cheque shall be made payable to the order of the person to whom it is sent; or*
- (b) *electronic funds transfer to an account nominated by the holder to the Company for the purpose of receiving such payments, or in the case of joint holders, to the account nominated to the Company by that joint holder who is first named in the Register for the purpose of receiving such payments; or*
- (c) *in such manner as the Directors determine from time to time.*

17.14A *Any one or two or more joint holders may give effectual receipts for any Dividends, interest or other money payable in respect of the shares held by them as joint holders.*

17.14B *Notice of declaration of Dividend whether interim or otherwise shall be given in the manner specified in Rule 19 to the persons entitled to share in the Dividend.*

2. Inserting the following as a new clause 26 and a new clause 27 after the existing clause 25 of the Constitution:

26. Proportional Takeover Schemes

26.1 *In this Rule:*

Shares *means ordinary fully paid shares in the issued capital of the Company.*

Takeover Bid *has the meaning given in section 9 of the Corporations Act.*

26.2 *Subject to the provisions of the Corporations Act, where offers have been made for Shares in the Company under a Takeover Bid and each such offer relates to a proportion of these Shares in the Company included in a class of Shares being a proportion that is the same in respect of each offer, the Directors shall refuse to register a transfer giving effect to a contract resulting from the acceptance of any offer under the Takeover Bid unless the following provisions have been complied with:*

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- (a) *the Directors shall convene a meeting of the Company to be held in accordance with this Constitution on a day which is not less than 15 days prior to the end of the period during which the offers made under the Takeover Bid remain open;*
- (b) *at the meeting referred to the members entitled to vote in accordance with Rule 26.2(c) shall consider and vote on a resolution approving the Takeover Bid which resolution shall be taken to have been passed if the votes cast in favour of the resolution exceed 50% of all votes validly passed in respect of the resolution; and*
- (c) *for the purposes of the resolution referred to in Rule 26.2(b) a person (other than the offerer under the Takeover Bid or a person associated within the meaning of the Corporations Act with the bidder) who, as at 5.00pm on the day on which the first offer under the Takeover Bid was made, held Shares included in the class of Shares the subject of the Takeover Bid is entitled to vote and despite anything contained in this Constitution shall have one vote for each such Share held.*

27. **Unmarketable Parcels**

- 27.1 *This Rule has effect notwithstanding any other provision of this Constitution to the contrary and shall override the same to the extent of any inconsistency.*

In this Rule:

Board *means the board of directors of the Company.*

Continuation Election Notice *means a notice by a Small Holder in the form contained on or enclosed with a Continuing Member Notice and completed and signed in accordance with the instructions on the Continuing Member Notice, notifying the Company that this Rule is not to apply to that Small Holder so that that Small Holder may remain as the holder of the Shares registered in its name.*

Continuing Member Notice *means a notice issued under Rule 27.2 below.*

Election Deadline *means 5.00pm (Australian Eastern Standard Time) on a date specified in a Continuing Member Notice, being a date not less than six weeks after the date of dispatch of that Continuing Member Notice.*

Marketable Parcel *means marketable parcel as defined in the Listing Rules.*

Sale Consideration *means the consideration received for the sale of any Securities (less any unpaid calls instalments or interest (if any) accrued on those instalments) under this Rule.*

Securities *means any shares, share options, stock, debentures, debenture stock or other securities for the time being issued by the Company.*

Small Holders *means persons registered, either alone or jointly with any other persons, as the holders of less than a Marketable Parcel of a class of Shares in the Company.*

Takeover Bid *has the meaning given in section 9 of the Corporations Act.*

- 27.2 *Subject to the provisions of this Rule, the Board may determine no more than once in any 12 month period, to require all (and not merely some) of the Small Holders of any class of Securities in the Company to elect whether they wish to remain as the holders of the Securities of that class in the Company registered in their name by forwarding to each such Small Holder (including all persons registered jointly) a Continuing Member Notice containing or enclosing:*

- (d) *details of the Securities of that class in the company held by the Small Holder;*
- (e) *statements to the effect that:*

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- (1) *the Company intends to invoke the provisions of this Rule which allows for the sale of Securities of that particular class held by all Small Holders in that class;*
 - (2) *if the Company does not receive from any such Small Holder a Continuation Election Notice by the Election Deadline, the Company will be, subject to this Rule, entitled to sell the Securities of that particular class held by those particular Small Holders in its absolute discretion; and*
 - (3) *in the case of a member whose Securities are in a Chess holding, that the Company may, without further notice, after the Election Deadline, move the Securities from the Chess holding to an issuer sponsored or certificated holding for the purpose of sale;*
- (f) *a Continuation Election Notice;*
 - (g) *a copy of the text of this Rule; and*
 - (h) *any other information which the Directors may desire to include.*
- 27.3 *If a Small Holder on whom a Continuing Member Notice has been served wants to keep the Securities referred to in the Continuing Member Notice, the Small Holder must give the Company a Continuing Election Notice which must be received by the Company before the Election Deadline, in which event the Company will not sell the Securities referred to in the Continuing Member Notice.*
- 27.4 *If a Small Holder on whom a Continuing Member Notice has been served does not give a Continuing Election Notice which is received by the Company before the Election Deadline, the Company shall be entitled to, subject to this Rule:*
- (i) *if the Small Holder holds those Securities in a Chess holding, move those Securities from the Chess holding to an issuer sponsored or a certificated holding for the purpose of the sale; and*
 - (j) *in any case, sell those Securities in accordance with this Rule,*
- but only if the Securities held by the Small Holder in the class of Securities the subject of the Continuing Member Notice on the Election Date is less than a Marketable Parcel.*
- 27.5 *Any Securities to be sold under this Rule may be sold on such terms and conditions, in such manner, at such prices and to such persons (including the Company itself where authorised by law) as the Board may, in its absolute discretion, think fit and, for the purposes of such sale, each such Small Holder shall be deemed to have:*
- (k) *appointed the Company as its agent for sale;*
 - (l) *authorised the Company to effect on its behalf a transfer of the Securities sold and to deal with the proceeds of the sale of the Securities in accordance with this Rule;*
 - (m) *appointed the Company, its Directors and the Secretary at the relevant time jointly and severally as its attorney to execute any instrument or take such steps in its name and on its behalf as they or any of them may consider appropriate to transfer the Securities so sold; and*
 - (n) *authorised each of the attorneys appointed under Rule 27.5(c) to appoint an agent to do a thing referred to in Rule 27.5(c).*
- 27.6 *Any transferee of any Securities sold under this Rule shall not be bound to see to the regularity of any procedure or to the application of the purchase consideration in respect of such sale nor shall any transferee be required to produce the certificates in respect of such Securities to enable registration. Once the transferee has been registered as the holder of such Securities*

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the transferee's title shall not be affected by any irregularity or invalidity in any procedure and the only remedy of any Small Holder aggrieved by the sale of its Securities under this Rule shall be in damages only and against the Company exclusively and shall be limited to the amount of the relevant Sale Consideration.

- 27.7 *The costs and expenses of any sale of Securities under this Rule (including legal costs and disbursements, brokerage and stamp duty) shall be borne and paid by the Company.*
- 27.8 *The Sale Consideration shall be held by the Company in trust for the Small Holder whose Securities have been so sold.*
- 27.9 *On receipt of the Sale Consideration, the Company shall forthwith notify such Small Holder in writing that the relevant class of Securities held by it have been sold and that the relevant Sale Consideration is being held by the Company pending the receipt by the Company of written instructions as to how such money is to be dealt with. If the Small Holder has been issued with a share certificate or certificates, the Small Holder's instructions to be effective, must be accompanied by the share certificate or certificates in respect of such Securities sold or, if the certificate or certificates have been lost or destroyed, by a statement and undertaking under section 1070D(5) of the Corporations Act.*
- 27.10 *Despite any provision of this Rule, either express or implied, to the contrary:*
- (o) *the Board shall not be bound to exercise the powers conferred by this Rule and shall be entitled, at any time prior to a sale of Securities being effected, to suspend or terminate its use by written notice to the Small Holders affected;*
 - (p) *the accidental omission by the Company to give any notice required under this Rule or the non-receipt of any such notice by any Small Holder shall not invalidate any action undertaken in good faith under this Rule;*
 - (q) *the Board may, in its absolute discretion, settle any ambiguity, difficulty, anomaly or dispute which may arise in relation to the operation of this Rule; and*
 - (r) *no sale of any Securities under this Rule shall be undertaken if prior to such sale a Takeover Bid to acquire Securities of the same class as the Securities which are to be sold under this Rule has either been announced as being intended to be made or has been made and is still open for acceptance.*
- 27.11 *If the Company is Listed, this Rule shall be subject to the potential operation of the Listing Rules or the ASTC Settlement Rules (as the case may be) to the Securities intended to be sold under this Rule.*

[See LR 15.13]

Notice of Extraordinary General Meeting

PROXIES AND REPRESENTATIVES

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at or posted to, the Share Registry at the below address or sent by facsimile to the Company on +61 3 9642 5177** not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

<u>Delivery Address</u> Automic Registry Services Level 1 7 Ventnor Avenue West Perth WA 6005	<u>Postal Address</u> Automic Registry Services PO Box 223 West Perth WA 6872
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If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm 22nd September 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Signing instructions

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

- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.



Holder Number

Security Holder Appointment of Proxy – General Meeting

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

(Name of Proxy)

OR

The Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10:30am (Adelaide time) on 24 September 2015 at The Watson (Studio Room), 33 Warwick Street, Walkerville SA 5081 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 3, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 3, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

VOTING ON BUSINESS OF THE MEETING

Resolutions	For	Against	Abstain	Resolutions	For	Against	Abstain
1 Ratification of Previous Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval for the issue of shares to Mr Brenda de Kauwe or his associates or nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to Issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approve Entry into the Directors' Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval for the issue of shares to Mr Athan Lekkas or his associates or nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Approval of Issue of Shares pursuant to Directors' Fee Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the issue of shares to Mr Daniel Lanskey or his associates or nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for the issue of shares to Mr Michael Clarke or his associates or nominees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDER(S):

Individual or Shareholder 1

Sole Director / Company Secretary

Shareholder 2

Director

Shareholder 3

Director / Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

APPOINTING A PROXY

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. The appointed proxy may be an individual or body corporate.

If a Body Corporate is appointed to act as your proxy then a representative of that Body Corporate must be appointed to act as its representative. When attending the meeting, the representative must bring a formal notice of appointment as per section 250D of the Corporations Act. Such notice must be signed as required by section 127 of the Corporations Act or the Body Corporate's Constitution.

If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll.

The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

Note: If you wish to appoint a second proxy, you may copy this form but you must return both forms together.

VOTING ON BUSINESS OF MEETING

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the number of votes that the proxy may exercise by writing the number of Shares next to the box marked for the relevant item of business.

Where a box is not marked the proxy may vote as they choose subject to the relevant laws.

Where more than one box is marked on an item the vote will be invalid on that item.

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 should sign.
- **Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

ATTENDING THE MEETING

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.

LODGEMENT OF VOTES

To be effective, a validly appointed proxy must be received by the Company **not less than 48 hours** prior to commencement of the Meeting.

Proxy appointments can be lodged by:

- a) **Hand Delivery** – Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth WA 6005; or
- b) **Post** - to Automic Registry Services, PO Box 223, West Perth WA 6872; or
- c) **Facsimile** - to the Company on facsimile number +61 3 9642 5177.

Proxy Forms received later than this time will be invalid