



**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

Annual General Meeting to be held at The Celtic Club, 48 Ord Street,
West Perth, Western Australia, on Tuesday 29th November 2016 at 2.00pm.

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Corporate Directory

Directors	Kevin Somes (Non-executive Chairman) Jordan Luckett (Managing Director) Craig Mathieson (Non-executive Director) Terrence Grammer (Non-executive Director)
Secretary	Justin Barton
Registered Office	Level 2, 35 Outram Street WEST PERTH WA 6005 Telephone: (08) 6311 2852 Facsimile: (08) 6313 3997 Website: www.greatwesternexploration.com.au
Auditor	Bentleys London House, Level 3 216 St George's Terrace PERTH WA 6000
Solicitors	Mills Oakley Level 2 225 ST George's Terrace PERTH WA 6000
Share Registry	Computershare Investor Services Limited Level 11 172 St Georges Terrace PERTH WA 6000 Telephone: (08) 9323 2000 Facsimile: (08) 9323 2033
ASX Code	GTE – fully paid shares

ANNUAL REPORT

Shareholders who have elected not to receive a copy of the Annual Report are reminded that a copy is available on the Company's website:

www.greatwesternexploration.com.au

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Great Western Exploration Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Tuesday, 29th November 2016 at 2.00 pm (WST). The Explanatory Statement which accompanies and forms part of this Notice describes the various matters to be considered.

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2016 and the reports of the Directors and the Auditor in accordance with the Corporations Act.

2. RESOLUTION 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following as a **non-binding ordinary resolution**:

"That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as set out in the Annual Report for the financial year ended 30 June 2016 be adopted by the Shareholders."

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

Voting Exclusion:

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

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

However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 –Election of new Director

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

"That for all purposes Mr. Ian Kerr, being eligible and signified his candidature for the office, be elected as a Director of the Company."

4. RESOLUTION 3 –Proposed issue of shares to Kevin Somes in lieu of Directors Fees

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 3,764,062 Shares at an issue price of \$0.016 per Share to Kevin Somes, or his nominee, in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2016 being \$60,225."

Voting Exclusion:

The Company will disregard any votes on this resolution by Kevin Somes, and his associates. However, the Company need not disregard a vote cast on the Resolution if:

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

The Company will also disregard any votes cast on Resolution 3 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 3.

5. RESOLUTION 4 – Proposed issue of shares to Jordan Luckett in lieu of Directors Fees

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 6,962,500 shares at an issue price of \$0.016 per Share to Jordan Luckett, or his nominee, in satisfaction of \$111,400 of a total of \$161,400 of accrued and outstanding Director's fees as at 30 June 2016."

Voting Exclusion:

The Company will disregard any votes on this resolution by Jordan Luckett and his associates. However, the Company need not disregard a vote cast on the Resolution if:

- (a) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Company will also disregard any votes cast on Resolution 4 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 4.

6. RESOLUTION 5 – Proposed issue of shares to Craig Mathieson in lieu of Directors Fees

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 2,053,125 shares at an issue price of \$0.016 per Share to Craig Mathieson, or his nominee, in full satisfaction of the accrued and outstanding Director's fees as at 30 June 2015 being \$32,850."

Voting Exclusion:

The Company will disregard any votes on this resolution by Craig Mathieson, and his associates. However, the Company need not disregard a vote cast on the Resolution if:

- (a) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

- (b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Company will also disregard any votes cast on Resolution 5 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 5.

7. RESOLUTION 6 – Proposed issue of shares to Coventina Holdings Pty Ltd in lieu of Consulting Fees

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 1,443,750 shares at an issue price of \$0.016 per Share to Coventina Holdings Pty Ltd, or nominee, in full satisfaction of the outstanding Consulting fees as at 30 October 2016 being \$23,100."

Voting Exclusion:

The Company will disregard any votes on this resolution by Coventina Holdings Pty Ltd and a person who might obtain a benefit, except a benefit solely in the capacity of a shareholder, if this resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on the Resolution if:

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

The Company will also disregard any votes cast on Resolution 6 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 6.

8. RESOLUTION 7 – Issue of Options to Employees and Consultants

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 8,000,000 Options on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion:

The Company will disregard any votes on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a shareholder, if this resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on the Resolution if:

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

The Chairman intends to vote all available proxies in favour of Resolution 7.

9. **RESOLUTION 8 – Issue of Director Options to Mr Jordan Lockett**

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 6,000,000 Director Options to Mr Jordan Lockett (or his nominee) on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion:

The Company will disregard any votes on this resolution by Mr Jordan Lockett, and his associates. However, the Company need not disregard a vote cast on the Resolution if:

- c) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- d) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Company will also disregard any votes cast on Resolution 8 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 8.

10. **RESOLUTION 9 – Issue of Director Options to Mr Ian Kerr**

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, subject to approval of Resolution 2, approval is given for the Company to allot and issue 6,000,000 Director Options to Mr Ian Kerr (or his nominee) on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion:

The Company will disregard any votes on this resolution by Mr Ian Kerr, and his associates. However, the Company need not disregard a vote cast on the Resolution if:

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

c)

The Company will also disregard any votes cast on Resolution 9 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 9.

11. **RESOLUTION 10 – Issue of Director Options to Mr Kevin Somes**

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 6,000,000 Director Options to Mr Kevin Somes (or his nominee) on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion:

The Company will disregard any votes on this resolution by Mr Kevin Somes and his associates. However, the Company need not disregard a vote cast on the Resolution if:

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

The Company will also disregard any votes cast on Resolution 10 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 10.

12. RESOLUTION 11 – Issue of Director Options to Mr Terry Grammer

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

“That for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 6,000,000 Director Options to Mr Terry Grammer (or his nominee) on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion:

The Company will disregard any votes on this resolution by Mr Terry Grammer and his associates. However, the Company need not disregard a vote cast on the Resolution if:

- c) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- d) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Company will also disregard any votes cast on Resolution 11 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy of to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

The Chairman intends to vote all available proxies in favour of Resolution 11.

13. RESOLUTION 12 – Issue of Director Options to Mr Craig Mathieson

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

“That for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 6,000,000 Director Options to Mr Craig Mathieson (or his nominee) on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion:

The Company will disregard any votes on this resolution by Mr Craig Mathieson and his associates. However, the Company need not disregard a vote cast on the Resolution if:

- e) It is cast as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- f) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form as the proxy decides.

The Chairman intends to vote all available proxies in favour of Resolution 12.

The Company will also disregard any votes cast on Resolution 12 by a member of the Key Management Personnel or their Closely Related Parties as proxy for another person where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

14. **RESOLUTION 13 – Approval for 10% Placement Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on terms and conditions in the Explanatory Statement".

Voting Exclusion:

The Company will disregard any votes on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a shareholder, if this resolution is passed and any associate of those persons. However, the Company need not disregard a vote cast on the Resolution if:

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

The Chairman intends to vote all available proxies in favour of Resolution 13.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting. Capitalised terms used in this Notice and the Explanatory Statement are set out in the Schedule of Definitions in the Explanatory Statement.

Voting

Shareholders can vote by either:

- a) attending the Annual General Meeting and voting in person or by attorney (who should bring an original or certified copy of the power of attorney), or in the case of a corporate Shareholder by appointing a corporate representative; or
- b) appointing a proxy to attend and vote on their behalf using the Proxy Form attached to this Notice and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Proxies

Please note that:

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

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting. Any proxy form received after that time will not be valid for the meeting.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Director or their associates (other than the Chairman) is appointed as a proxy, the proxy may only vote on Resolution 1, if the proxy is specifically instructed to do so. Accordingly, if you intend to appoint a Director or their associates (other than the Chairman) as your proxy, please ensure that you direct them how to vote in relation to Resolution 1.

In accordance with the Proxy Form, if you appoint the Chairman as your proxy you expressly authorise them how to vote in relation to Resolution 1 in accordance with the instructions on your Proxy Form.

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

Eligibility to vote

For the purposes of regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are registered holders of Shares at 4.00pm WST on 25 November 2016.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General Meeting should complete and execute the Proxy Form in accordance with the appointment requirements and Sections 127 and 250D of the Corporations Act or with the legal requirements of the country in which the corporate Shareholder was incorporated.

The corporate representative should be provided with a certificate or letter confirming their appointment and evidence of any

authority to act as the corporate representative. The authority may be sent to the Company and/or registry in advance or handed in at the Annual General Meeting. An appointment of corporate representative form is available if required.

By Order of the Board of Directors

J Barton
Company Secretary
Great Western Exploration Limited

24 October 2016

Explanatory Statement

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act the financial report, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2016 will be tabled at the Annual General Meeting. There is no requirement for a formal resolution on this item of business. Shareholders should consider these documents and raise any matters of interest when the item is addressed at the Annual General Meeting.

A copy of the Company's financial report, Directors' Report and Auditor's Report are available from the website www.greatwesternexploration.com.au or on the ASX website on the Company's announcement page.

The Chairman will also provide Shareholders with a reasonable opportunity to ask the Company's Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

Written questions may also be submitted to the Company's Auditor on the content of the Auditor's Report and the conduct of the audit. Such questions must be received by the Company Secretary at the Company's registered office no later than 5 business days before the Annual General Meeting.

2. RESOLUTION 1 : ADOPTION OF REMUNERATION REPORT

The Directors' Report for the year ended 30 June 2016 contains a Remuneration Report, which sets out the policy for the remuneration of the Directors and the executives of the Company.

The Remuneration Report, by way of summary:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2016.

Section 250R (2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this Resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to

make the directors report considered at the later annual general meeting was passed (other than the Managing Director) must go up for re-election (Spill Resolution).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (Spill Meeting) within 90 days of the second annual general meeting.

All of the directors of the company who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Voting on Resolution 1 will be determined by a show of hands at the Annual General Meeting.

3. RESOLUTION 2: ELECTION OF DIRECTOR

3.1 Introduction

In accordance with ASX Listing Rule 14.4 and pursuant to Clause 13.2 of the Constitution, at each annual general meeting, one-third of the Directors must retire from office. Each Director is entitled to offer himself for re-election as a Director at the Annual General Meeting, which coincides with his retirement. Pursuant to Clause 17.4 of the Constitution, the Managing Director is exempted by his or her office as Managing Director from the requirement to retire by rotation.

Mr Craig Mathieson, appointed as a Director on 9 December 2011, retires in accordance with ASX Listing Rule 14.4 and pursuant to Clause 13.2 of the Constitution, does not seek re-election.

Mr Ian Kerr offers himself for election as a Director and seeks election as a condition of the Vanguard Exploration Limited acquisition.

3.2 Election of Mr. Ian Kerr as a Director.

Ian has been involved in the mining industry since 1987 when he first commenced working in Kalgoorlie for Western Mining Corporation. During this time he has been an active participant in the Western Australian mining scene both as a prospector and through various corporate associations. With excess of 20 years' experience he has an excellent knowledge of the workings of the mining industry. These include hands on involvement in setting regional exploration programmes including drilling and acquisition of selective mining projects for various mineral commodities.

3.3 Directors' recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTIONS 3 TO 5: ISSUE OF SHARES TO DIRECTORS IN LIEU OF SALARIES AND DIRECTORS' DEES ACCRUED TO 30 JUNE 2016

4.1 Introduction

During the last financial year, with the objective to preserve cash within the Company, each of the Directors agreed to accrue their respective directors' fees from 1 July 2015 to 30 June 2016.

Each Director agreed with the Company, that subject to Shareholder approval, and again with the intent to preserve cash within the Company, they will accept Shares in lieu of their respective Directors' fees.

Mr Jordan Luckett has agreed to convert \$111,400 of his accrued and outstanding director fees to shares, with the balance of \$50,000 to be settled in cash consideration when the Company has available funds.

Shareholder approval is now sought pursuant to Resolution 3 to 5 to approve the issue of Shares to Directors in lieu of Directors fees.

4.2 Chapter 2E of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in section 210 to 217 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

Section 210 of the Corporations Act provides an exception for a financial benefit to a related party that would be reasonable in the circumstances if the Company and the related party were dealing on arm's length terms. Section 211 of the Corporations Act provides an exception for a financial benefit that is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office).

The accrued Director's fees are being converted to Shares based on the current market price as at the date of this Notice of \$0.016. The Directors consider that the issue of Shares in lieu of Director's accrued fees is both on arm's length terms and reasonable remuneration in all the circumstances. The proposed issues do not involve any additional remuneration to the Directors. The Directors therefore consider that Shareholder approval is not required under Part 2E.1 of the Corporations Act.

4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company cannot issue equity securities to a related party unless shareholder approval is obtained or the issue falls within one of the exceptions in ASX Listing Rule 10.12. As none of the exceptions apply to the issue of Shares to Directors under Resolutions 3, 4 and 5, the Company is seeking Shareholder approval for Resolutions 3, 4, and 5 under Listing Rule 10.11.

As approval is being sought under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. If Resolutions 3, 4 and 5 are approved, the Shares issued will not count towards the Company's 15% placement capacity.

4.4 ASX Listing Rule 10.13

The Company provides the following information required by ASX Listing Rule 10.13:

- (a) The related parties are Messrs Kevin Somes, Jordan Luckett and Craig Mathieson (**Related Parties**) and they are related parties by virtue of being Directors of the Company.
- (b) The maximum number of Shares to be issued is as follows:

Resolution	Director	Number of Shares
Resolution 3	Kevin Somes	3,764,062
Resolution 4	Jordan Lockett	6,962,500
Resolution 5	Craig Mathieson	2,053,125
Total		12,779,687

- (c) The Shares will be issued to the Related Parties (or their nominees) by no later than 1 month after the date of the Meeting or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is expected that the Shares will be issued on the one date.
- (d) The Shares will be issued at a deemed issue price of \$0.016 in lieu of accrued directors fees. Accordingly, no funds will be raised.
- (e) The Shares will be issued on the same terms and conditions as the Company's existing Shares and rank equally with all other Shares on issue.
- (f) A voting exclusion statement is included for Resolutions 3, 4 and 5 in the Notice of Meeting.

4.5 Additional information

Set out below is a table showing the effect on the shareholdings of Messrs Kevin Somes, Jordan Lockett and Craig Mathieson if all of the resolutions the subject of this Notice are passed by shareholders.

Director	Shares held	% ¹	Fees outstanding	Shares to be issued under resolutions 3 to 5 in lieu of fees	Maximum shareholding if all Resolutions are passed	% ²
Kevin Somes	24,389,572	8.45	\$60,225	3,764,062	28,153,634	9.30
Jordan Lockett	22,783,333	7.89	\$111,400	6,962,500	29,745,833	9.82
Craig Mathieson	28,218,496	9.77	\$32,850	2,053,125	30,271,621	9.99

4.6 Directors' recommendation

Each director recommends that Shareholders vote in favour of those Resolutions that they do not have a personal interest in.

¹ Based on issued share capital of 288,604,826 shares as at the date of the notice of meeting.

² Based on an issued share capital of 302,864,263 shares if shares are issued under resolutions 3 to 7 of the notice of general meeting to be held on 25 October 2016

5. RESOLUTION 6 – SHARE ISSUE TO COVENTINA HOLDINGS PTY LTD IN LIEU OF CONSULTING FEES

5.1 Introduction

During the last financial year, with the objective to preserve cash within the Company, Coventina Holdings Pty Ltd has agreed to accept shares in lieu of consulting fees outstanding as at 30 October 2016 of \$23,100. The consulting services provided were the provision of CFO and company secretarial services.

Shareholder approval is now sought pursuant to Resolution 6 to approve the issue of Shares to Coventina Holdings Pty Ltd (or Nominee) in lieu of outstanding consulting fees.

5.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in a general meeting.

The Company is seeking approval under ASX Listing Rule 7.1 to be able to issue up to 1,443,750 Shares.

5.3 Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 6.

- (a) The maximum number of securities to be issued is 1,443,750 Shares;
- (b) The Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on the one date;
- (c) The Shares will be issued for nil cash consideration as they are being issued in full satisfaction of outstanding consultancy fees accrued as at 30 October 2016;
- (d) The Shares are fully paid ordinary shares and rank equally in all respects with Shares currently on issue;
- (e) The Shares are being issued to Coventina Holdings Pty Ltd, who is not a related party of the Company;
- (f) No funds will be raised from the issue of the Shares; and
- (g) A voting exclusion statement is included in the Notice.

5.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution 6. This will allow the Company to preserve cash resources and issue securities, whilst preserving the Company's 15% annual limit permitted by ASX Listing Rule 7.1.

6. RESOLUTION 7: PLACEMENT OF OPTIONS TO EMPLOYEES AND CONSULTANTS

6.1 Introduction

The Company proposes to issue 8,000,000 Options to employees and consultants of the Company as a reward and incentive to promote motivation, company ownership and loyalties (Option Placement). The Options proposed to be issued under the Option Placement will vest immediately upon approval by shareholders and, where relevant, the share price meeting the exercise price of the Options.

The Company is committed to remunerating its employees in a manner that is market competitive and consistent with best practice as well as supporting the interests of Shareholders. Accordingly, the Company considers it appropriate to issue employees and consultants Options to align the interests of the employees and consultants with those of Shareholders and increase Company performance.

The Company seeks to have the flexibility to issue securities to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1.

6.2 ASX Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out above at section 5.2.

The Company is seeking approval under ASX Listing Rule 7.1 to be able to issue up to 8,000,000 Options.

6.3 ASX Listing Rule 7.3

ASX Listing Rule 7.3 sets out the matters which must be included in the notice of meeting convened to seek shareholder approval under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 7:

- (a) The maximum number of securities to be issued is 8,000,000 Options;
- (b) The Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and will be issued on the one date;
- (c) The Options will be issued for nil cash consideration;
- (d) The Options will be issued at an exercise price as follows:
 - a. 2,000,000 Options at a zero exercise price;;
 - b. 2,000,000 Options at an exercise price of \$0.02;
 - c. 2,000,000 Options at an exercise price of \$0.04; and
 - d. 2,000,000 Options at an exercise price of \$0.06;
- (e) The Options will be issued to consultants and employees of the Company at the discretion of the Directors. The Options will not be issued to Directors or other related parties of the Company;
- (f) The Options will be issued on the terms set out in **Schedule 1**;
- (g) No funds will be raised from the issue of the Options. The Options are being issued to employees and consultants of the Company in consideration for their services to the Company and to promote motivation, company ownership and loyalty.
- (h) A voting exclusion statement is included in the Notice.

6.4 Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. This will allow the Company to issue securities, whilst preserving the Company's 15% annual limit permitted by ASX Listing Rule 7.1.

7. RESOLUTIONS 8 to 12: ISSUE OF OPTIONS TO RELATED PARTIES

7.1 Introduction

The Board has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 30,000,000 Options (Director Options) to Messrs. Jordan Lockett, Ian Kerr (subject to Resolution 2 being passed), Kevin Somes, Craig Mathieson and Terry Grammer (or their nominees), on the terms and conditions set out in **Schedule 2**. The Directors Options will not vest until the specified vesting conditions are achieved. The vesting conditions are detailed in Schedule 2 and relate to the Company's share price.

7.2 Chapter 2E of the Corporations Act

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a Director or an entity controlled by a Director) unless either:

- (a) the giving of the financial benefit falls within one of the exceptions in sections 210 to 217 of the Corporations Act; or
- (b) Shareholder approval is obtained prior to giving the benefit.

Section 210 of the Corporations Act provides an exception for a financial benefit to a related party that would be reasonable in the circumstances if the Company and the related party were dealing on arm's length terms. Section 211 of the Corporations Act provides an exception for a financial benefit that is remuneration to an officer of the Company where the remuneration is reasonable given the circumstances of the Company and the officer (including the responsibilities involved in such office).

Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

Over the last 12 months, the Directors have guided the Company through a difficult economic environment, whilst continuing to look for prospective opportunities to help grow shareholder wealth. The Company continues to develop a strong asset position with highly prospective tenements.

Accordingly, the primary purpose of the grant of the Director Options is to:

- i. reward the Directors for their ongoing commitment and contribution to managing and increasing shareholder wealth;
 - ii. to provide cost effective consideration to the Directors and to incentivise their continued endeavours of generating shareholder wealth; and
 - iii. to reward Mr Craig Mathieson (who retires at the Meeting) for his previous commitment and contribution to the Company;
- whilst allowing the Company to maintain cash reserves for working capital and exploration activity.

In addition, the Board considers the grant of the Directors Options to the Directors to be reasonable and comparable with other exploration companies, given the necessity to attract high calibre professionals to the Company whilst maintaining the Company's cash reserves. The Board have considered the extensive experience and reputations of each of the Directors in the industry, the

current share price and current market practices when determining the number and exercise price of the Director Options to be issued to the Directors.

The Directors therefore consider that the issue of Options to Directors falls within the reasonable remuneration exception in section 211 of the Corporations Act such that Shareholder approval is not required under Part 2E.1 of the Corporations Act.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Director Options to the Directors will not be included in the 15% calculations of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

7.4 ASX Listing Rule 10.13

The following information is provided in relation to the proposed issue of Director Options to the Directors as required by ASX Listing Rule 10.13:

- a) The persons to whom Director Options will be issued are Messrs Jordan Lockett, Kevin Somes, Craig Mathieson, Terry Grammer and (subject to the passing of Resolution 2), Ian Kerr:
- b) The maximum number of Director Options to be issued is as follows:

Related Party	Number of Director Options	Resolution
Jordan Lockett	6,000,000	8
Ian Kerr*	6,000,000	9
Kevin Somes	6,000,000	10
Terry Grammer	6,000,000	11
Craig Mathieson	6,000,000	12

* issue subject to the passing of Resolution 2.

- c) The Director Options will be issued no later than 1 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- d) The Director Options will be issued on the following terms:
 - a. 2,000,000 Options exercisable at \$0.02 expiring 31 December 2017;
 - b. 2,000,000 Options exercisable at \$0.04 expiring 31 December 2018; and
 - c. 2,000,000 Options exercisable at \$0.06 expiring 31 December 2019.

A summary of the terms of the Director Options is included at **Schedule 2**.

- e) The Director Options will be issued for nil consideration;

7.5 Additional information

- (a) The value of the Director Options and the pricing methodology is set out in **Schedule 3**;
- (b) The relevant interests of the Director Options in securities of the Company are set out below:

Related Party	Shares ¹	Options
Jordan Lockett	32,870,833	Nil
Kevin Somes ²	28,153,634	Nil
Craig Mathieson	30,271,621	Nil
Terry Grammer	Nil	Nil
Ian Kerr ³	Nil	Nil

1 – Based on Resolutions 3 -5 being passed.

2 – Mr Kevin Somes and associates will be issued an additional 20,483,332 shares upon completion of the Vanguard Exploration Limited acquisition if approved at the Company's General Meeting on 25 October 2016;

3 - Mr Ian Kerr and associates will be issued an additional 25,808,336 shares upon completion of the Vanguard Exploration Limited acquisition if approved at General Meeting on 25 October 2016;

- (c) The remuneration from the Company to the Directors and their associates (for their roles as Directors) for the previous financial year and the proposed remuneration for the current financial year are set out below;

Related Party	Current Financial Year 2016/2017	Previous Financial Year 2015/2016
Jordan Lockett	\$110,000	\$161,400
Kevin Somes	\$60,225	\$60,225
Craig Mathieson	\$13,700	\$32,850
Terry Grammer	\$38,325	\$38,325
Ian Kerr	\$150,000	Nil

- (d) If the Director Options granted to the Directors are exercised, a total of 30,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 305,989,263 to 335,989,263 (assuming that all Resolutions under this Notice of Meeting are passed and no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing shareholders would be diluted by an average of 8.9%.
- (e) The market price of Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- f) The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	Price	Date
High	\$0.029	19 November 2015
Low	\$0.005	19 February 2016
Last	\$0.016	20 October 2016

- g) Commentary relating to ASX Corporate Governance Principles and Recommendations states that non-executive directors should normally be remunerated by way of fees in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity and should not receive options or bonus payments.

Director Options to Messrs Somes, Mathieson and Grammer is contrary to this recommendation, however the Board considers the issue of Director Options to these parties an effective method of remuneration for the Shareholders to consider as opposed to cash consideration, given the importance of managing limited funds within the Company. In addition, in the last 2 financial years, the Directors have been paid in Shares for the majority of their annual remuneration, to preserve cash in the Company.

Shareholders should consider the above matters carefully before deciding how to vote on these Resolutions.

- h) Each of the Directors decline to comment or make a recommendation to Shareholders in relation to the issue of Director Options under their respective Resolutions. The other Directors, whom do not have a material interest in the outcome of the respective Resolution, recommend that the Shareholders vote in favour of Resolutions 8, Resolution 9, Resolution 10, Resolution 11 and Resolution 12.

8. RESOLUTION 13: APPROVAL FOR 10% PLACEMENT CAPACITY

8.1 Introduction

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the eligible entity's Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.

The effect of Resolution 13 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the period up to 12 months after the Meeting without subsequent Shareholder approval and without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.2 ASX Listing Rule 7.1A

(a) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice, the Company has only one class of quoted Equity Securities, being its Shares.

(b) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(AxD) - E

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

plus the number of partly paid shares that became fully paid in the 12 months;

plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.1 or 7.4.

(c) ASX Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue one class of quoted Equity Securities being, fully paid ordinary shares.

The Company has 288,640,826 Shares on issue. As a result the Company has a capacity to issue:

- (i) 43,296,123 Shares under ASX Listing Rule 7.1; and
- (ii) subject to Shareholders approving Resolution 13, 28,864,082 Shares under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 8.2(b) above).

(d) Minimum Issue Price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

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

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(f) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

8.3 Information required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.1A. The following information is provided for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph(i) immediately above, the date on which the Equity Securities are issued.
- (b) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date Shareholders approve the 10% Placement Facility; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date, or issued for non-cash consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

Dilution Table

The table below shows the potential dilution of holders of Shares on the basis of three different assumed issue prices and numbers of Shares on issue:

Current share issue capacity	Dilution when compared with the current issued share capital	Issue of 10% of the enlarged share capital		
		\$0.008 per share (50% decrease in issue price)	\$0.016 per share (Issue price)	\$0.032 per share (100% increase in issue price)
288,640,826 Current issued share capital	10% issue	28,864,082 shares	28,864,082 shares	28,864,082 shares
	Funds raised	\$230,913	\$461,825	\$923,651
432,961,239 50% increase in issued share capital	10% issue	43,296,123 shares	43,296,123 shares	43,296,123 shares
	Funds raised	\$346,369	\$692,738	\$1,385,476
577,281,652 100% increase in issued share capital	10% issue	57,728,165 shares	57,728,165 shares	57,728,165 shares
	Funds raised	\$461,825	\$923,651	\$1,847,301

The dilution table has been prepared on the following assumptions:

- (i) The issue price is \$0.016 based on the closing price of shares on 20 October 2016.

- (ii) The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at 20 October 2016.
 - (iii) The Company issues the maximum number of equity securities available under the share issue mandate under ASX Listing Rule 7.1A.
 - (iv) No options are exercised or converted into Shares.
 - (v) The table shows only the effect of issues of the Company's equity securities under the 10% Placement Facility under ASX Listing Rule 7.1A, not under the Company's 15% placement capacity under ASX Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 13 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) to raise funds, in which case the Company intends to use the funds raised on Company's current assets, general working capital, and towards any possible acquisition of new assets or investments (including expense associated with such acquisition).
 - (ii) as non-cash consideration for the acquisition of new resources, assets and investments (including expenses associated with such acquisitions). In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of the Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the purpose of the issue;
 - (ii) alternative methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
 - (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources, assets or investments.

- (f) The Company has previously obtained Shareholder approval under rule 7.1A at its 2015 annual general meeting.

The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 99,592,600, representing 52.68 of the total number of Equity Securities on issue at the commencement of that 12 month period.

The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in **Schedule 4** to this Explanatory Memorandum.

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8.4 Directors' recommendation

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

Definitions

Accounting Standards	has the meaning given to that term in the Corporations Act.
Annual General Meeting	means the meeting convened by this Notice.
Annual Report	means the annual report of the Company.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Auditor	means Bentleys Perth.
Auditor's Report	means the report completed by the Auditor included in the Annual Report.
Board	means the board of Directors.
Chairman	means the chairman of the Annual General Meeting.
Closely Related Party	has the meaning given to that term in the Corporations Act.
Company	means Great Western Exploration Limited (ACN 123 631 470).
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth) as amended.
Director	means a director of the Company.
Equity Security	has the meaning given in the Listing Rules.
Explanatory Statement	means this explanatory statement.
Key Management Personnel	has the meaning given to that term in the Accounting Standards.
Listing Rule	means the listing rules of the ASX.
Notice	means this notice of meeting.
Proxy Form	means the proxy form attached to this Notice.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's Annual Report.
Resolution	means a resolution set out in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Trading Day	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
WST	means Australian Western Standard Time.

SCHEDULE 1: TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) Each Option gives the Optionholder the right to subscribe for one Share;
- b) The Options will expire at 5:00pm (WST) three (3) years from the date of issue (Expiry Date). Any Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- c) Subject to d) below, the Options will vest immediately when the Share Price equals or exceeds the Exercise Price of the respective Shares after the date of issue of the Options;
- d) If there is a Change of Control Event prior to the Expiry Date, the Options shall automatically vest. "Change of Control Event" means the occurrence of the offerer under the takeover offer in respect of all the shares in the Company (Shares) announces that it has achieved acceptances in respect of 50.1% or more of the Shares;
- e) Other than by operation of a Change of Control Event, any Options which have not vested as at the date the holder ceases to be employed or engaged by the Company, shall automatically lapse unless otherwise determined by the board. Any Options which have vested prior to the date of termination shall not lapse;
- f) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- g) Subject to the Options vesting in accordance with c), an Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - a. A written notice of exercise of Options specifying the number of Options being exercised; and
 - b. A cheque or EFT for the Exercise Price for the number of Options being exercised;(Exercise Notice).
- h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- j) The Options are not transferrable.
- k) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- l) The Company will not apply for quotation of the Options on the ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- m) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to holders of shares during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give holders of Options the opportunity to

exercise their Options prior to the date for determining entitlements to participate in any such issue.

n) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestments):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

o) Adjustment for pro rata issue

If the Company makes an issue of shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old exercise price of the Option.

E = the number of underlying shares into which one Option is exercisable.

P = average market price per share weighted by reference to volume of the underlying shares during the 5 trading days ending on the day before the ex rights date or ex entitlements dates.

S = the subscription price of a share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying shares (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new Share.

p) Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of Option holders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

SCHEDULE 2: TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) Each Director Option gives the Optionholder the right to subscribe for one Share;
- b) The Director Options will expire at 5:00pm (WST) as follows:
 - Director Options with an exercise price of \$0.02 expire on 31 December 2017
 - Director Options with an exercise price of \$0.04 expire on 31 December 2018; and
 - Director Options with an exercise price of \$0.06 expire on 31 December 2019;

(Expiry Dates). Any Director Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- c) Subject to d) below, the Director Options will vest immediately when the Share Price equals or exceeds the Exercise Price of the respective Shares after the date of issue of the Options;
- d) If there is a Change of Control Event prior to the Expiry Date, the Director Options shall automatically vest. "Change of Control Event" means the occurrence of the offerer under the takeover offer in respect of all the shares in the Company (Shares) announces that it has achieved acceptances in respect of 50.1% or more of the Shares;
- e) Other than by operation of a Change of Control Event, any Director Options which have not vested as at the date the holder ceases to be employed or engaged by the Company, shall automatically lapse unless otherwise determined by the board. Any Director Options which have vested prior to the date of termination shall not lapse;
- f) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- g) Subject to the Director Options vesting in accordance with c), an Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
 - a. A written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - b. A cheque or EFT for the Exercise Price for the number of Director Options being exercised;(Exercise Notice).
- h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- j) The Director Options are not transferrable.
- k) All Shares allotted upon the exercise of Director Options will upon allotment rank *pari passu* in all respects with other Shares.
- l) The Company will not apply for quotation of the Director Options on the ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
- m) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to holders of shares during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

n) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestments):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

o) Adjustment for pro rata issue issue

If the Company makes an issue of shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N+1}$$

O = the old exercise price of the Option.

E = the number of underlying shares into which one Option is exercisable.

P = average market price per share weighted by reference to volume of the underlying shares during the 5 trading days ending on the day before the ex rights date or ex entitlements dates.

S = the subscription price of a share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying shares (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new Share.

p) Adjustment for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of Option holders will be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

SCHEDULE 3: VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 8 – 12 (inclusive) have been valued by management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range as follows:

Assumptions

Valuation date	20 October 2016
Market price of Shares	\$0.016
Expiry Date	31 December 2017 - 2,000,000 with exercise price of \$0.02 31 December 2018 – 2,000,000 with exercise price of \$0.04 31 December 2019 – 2,000,000 with exercise price of \$0.06
Volatility	169%

Valuation

Director Options	Value
2,000,000 with exercise price of \$0.02	\$15,613
2,000,000 with exercise price of \$0.04	\$17,594
2,000,000 with exercise price of \$0.06	\$19,690

Value of Director Options

Mr Jordan Lockett	\$52,897
Mr Kevin Somes	\$52,897
Mr Craig Mathieson	\$52,897
Mr Terry Grammer	\$52,897
Mr Ian Kerr	\$52,897
Total	\$264,486

SCHEDULE 4: INFORMATION REQUIRED BY LISTING RULE 7.1 A.3

	Issue 1	Issue 2	Issue 3
Date of issue:	23 December 2015	19 January 2016	2 August 2016
Number issued:	31,500,000	43,552,600	24,540,000
Class/Type of equity security:	Ordinary Shares	Ordinary Shares	Ordinary Shares
Summary of terms:	Placement of 31,500,000 ordinary fully paid shares ¹ .	Placement of 20,000,000 ordinary fully paid shares and issue of shares in lieu of Director fees and salaries.	Placement of 24,540,000 ordinary fully paid shares.
Names of persons who received securities or basis on which those persons was determined:	Acquired by various unrelated investors whom were approached by the Directors.	Placement acquired by associates of Mr Craig Mathieson and Mr Kevin Somes. Other issue acquired by associates of Mr Craig Mathieson, Mr Kevin Somes and Mr Jordan Lockett.	Acquired by various unrelated investors whom were approached by the Directors.
Price:	\$0.01	\$0.01	\$0.015
Discount to market price (if any):	NA	NA	NA
<i>For cash issues</i>			
Total cash consideration received:	\$315,000	\$200,000	\$368,100
Amount of cash consideration spent:	\$315,000	\$200,000	\$278,000
Use of cash consideration: ^[1]	Additional working capital and drilling	Additional working capital and drilling	Additional working capital and to

	Issue 1	Issue 2	Issue 3
	program at Chisel.	program at Chisel.	facilitate acquisition of Vanguard Exploration Limited.
Intended use for remaining amount of cash (if any):	NA	NA	NA
<i>For non-cash issues</i>			
Non-cash consideration paid:	N/A	N/A	N/A
Current value of that non-cash consideration:	N/A	N/A	N/A

GREAT WESTERN EXPLORATION LIMITED

ABN 53 123 631 470

FOR ALL ENQUIRIES CALL (08) 6311 2852

FACSIMILE (08) 6313 3997

ALL CORRESPONDENCE TO: P O Box 814, Subiaco East WA 6008

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 2.00PM (WST), 27 NOVEMBER 2016.

TO VOTE BY COMPLETING THE PROXY FORM

<p>STEP 1 Appointment of Proxy</p> <p>Indicate here who you want to appoint as your Proxy</p> <p>If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.</p> <p>Proxy which is a Body Corporate</p> <p>Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an 'Appointment of Corporate Representative' prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.</p> <p>Appointment of a Second Proxy</p> <p>You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.</p> <p>To appoint a second proxy you must:</p> <p>(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.</p> <p>(b) return both forms together in the same envelope.</p>	<p>STEP 2 Voting Directions to your Proxy</p> <p>You can tell your Proxy how to vote</p> <p>To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.</p> <p>STEP 3 Sign the Form</p> <p>The form must be signed as follows:</p> <p>Individual: This form is to be signed by the security holder.</p> <p>Joint Holding: where the holding is in more than one name, all the security holders must sign.</p> <p>Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.</p> <p>Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. Please indicate the office held by signing in the appropriate place.</p> <p>STEP 4 Lodgement of a Proxy</p> <p>This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below at least 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.</p> <p>BY MAIL - P O Box 8142, Subiaco East WA 6008</p> <p>BY FAX - 08 6313 3997</p> <p>IN PERSON - L2, 35 Outram Street, WEST PERTH WA 6005</p>
<p>Attending the Meeting - If you wish to attend the meeting please bring this form with you to assist registration.</p>	

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

STEP 1 - Appointment of Proxy

I/We being a member/s of Great Western Exploration Limited hereby appoint

☐

the Chairman of the Meeting (mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **General Meeting** of Great Western Exploration Limited to be held at The Celtic Club, 48 Ord Street, West Perth WA on 29 November 2016 at 2.00 pm (WST) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise undirected proxies on remuneration related resolution. Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly the Chairman to exercise my/our proxy on Resolutions 1, 3 to 6 and 8 to 12 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 3 to 6 and 8 to 12 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes **the Chairman**.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3 to 6 and 8 to 12 by marking the appropriate box in Step 2 below.

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

Please read the voting instructions carefully.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

STEP 2 - Voting directions to your Proxy – please mark ☒ to indicate your directions

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue Shares to Kevin Somes in lieu of directors fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue Shares to Jordan Luckett in lieu of directors fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Shares to Craig Mathieson in lieu of directors fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Shares to Coventina Holdings in lieu of Consulting Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue options to employees and consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue of Director Options to Jordan Luckett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to issue of Director Options to Ian Kerr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval to issue of Director Options to Kevin Somes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval to issue of Director Options to Terry Grammer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval to issue of Director Options to Craig Mathieson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval for 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 - Please sign here - This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security holder 1**Security holder 2****Security holder 3**

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / / 2016