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**WESTERN MINING NETWORK LIMITED**

**ABN 63 144 079 667**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00am WST

**DATE:** Tuesday, 29 November 2016

**PLACE:** "Mining Corporate Boardroom"  
Level 11, 216 St Georges Terrace  
PERTH WA 6000

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9481 0389.***

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## **CONTENTS**

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Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	26
Proxy Form	28

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

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The Annual General Meeting of the Shareholders of Western Mining Network Limited which this Notice of Meeting relates to will be held at 10:00am WST on Tuesday, 29 November 2016 at "Mining Corporate Boardroom", Level 11, 216 St Georges Terrace, Perth 6000, Western Australia.

### **YOUR VOTE IS IMPORTANT**

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

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on Sunday, 27 November 2016.

### **VOTING IN PERSON**

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

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware of that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and

- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

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

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

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

### ***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

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## NOTICE OF ANNUAL GENERAL MEETING

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The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the 2016 Annual Report of the Company, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."*

**Note: 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 any 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 a member.

However, a person (the **voter**) 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 Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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**2. RESOLUTION 2 – ELECTION OF DIRECTOR – DON CARROLL**

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

*“That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Don Carroll, being a Director, appointed on 7 September 2016, retires and, being eligible for re-election, is hereby elected as a Director.”*

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**3. RESOLUTION 3 – ELECTION OF DIRECTOR – NATHAN TAYLOR**

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

*“That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Nathan Taylor, being a Director, appointed on 1 June 2016, retires and, being eligible for re-election, is hereby re-elected as a Director.”*

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**4. RESOLUTION 4 – ELECTION OF DIRECTOR – ARIEL (EDDIE) KING**

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

*“That, for the purposes of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Ariel (Eddie) King, being a Director, appointed on 4 October 2016, retires and, being eligible for re-election, is hereby re-elected as a Director.”*

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**5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF CONVERTING LOANS**

To consider and, if thought fit, to 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 issue up to 31,653,214 Shares and 31,653,214 Options (on a post-Consolidation basis) to the Unrelated Lenders in full and final satisfaction of the Company’s obligations under the Converting Loan Agreements on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by any 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 holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A DIRECTOR ON CONVERSION OF CONVERTING LOAN**

To consider and, if thought fit, to 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 issue up to 7,974,710 Shares and 7,974,710 Options (on a post-Consolidation basis) to Mr Nathan Taylor in full and final satisfaction of the Company’s obligations under the Converting Loan Agreements on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by Mr Nathan Taylor and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 7 - CONSOLIDATION OF CAPITAL**

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

*“That, for the purposes of section 254H of the Corporations Act, ASX Listing Rule 7.20 and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- ii. every thirteen (13) Shares be consolidated into one (1) Share; and*
- iii. every thirteen (13) Options be consolidated into one (1) Option,*

*and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be).”*

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**8. RESOLUTION 8 – APPROVAL OF FUTURE PLACEMENT OF SHARES**

To consider and, if thought fit, to 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 issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,000,000 (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:**

The Company will disregard any votes cast on this Resolution by any 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 holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**9. RESOLUTION 9 – APPROVAL FOR ADDITIONAL 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, approval is given for the Company to issue up to that number of Equity Securities equal 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 the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting Exclusion:**

The Company will disregard any votes cast on Resolution 9 by any person who may participate in the issue of Equity Securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, from the passing of Resolution 9 and any associates of those persons.

However the Company need not disregard a vote if:

- (a) 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
- (b) 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.

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**DATED: 28 OCTOBER 2016**

**BY ORDER OF THE BOARD**

**DAVID PALUMBO  
COMPANY SECRETARY  
WESTERN MINING NETWORK LIMITED**

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## EXPLANATORY STATEMENT

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

### PROPOSED CONSOLIDATION OF CAPITAL

Resolution 7 seeks Shareholder approval for the Company to undertake a consolidation of the number of Securities on issue on the basis that every 13 Securities held be consolidated into one Security. Shareholders should note that reference to the number of Securities in this Notice has been made on a post Consolidation basis. In the event the Consolidation is not approved, the number of Securities to be issued or ratified should be adjusted to reflect a pre Consolidation basis. The outcome of Resolution 7 will not affect the validity of the other Resolutions pursuant to this Notice, only the relevant number of Securities referred to in those Resolutions.

### FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the 2016 Annual Report of the together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2016 Annual Report to Shareholders unless specifically requested to do so. The Company's 2016 Annual Report is available on its website at [www.wmngraphite.com](http://www.wmngraphite.com).

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## 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

### 1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the company. The Remuneration Report is part of the Directors' report contained in the 2016 annual financial report of the Company.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

### 1.2 Voting Consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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 in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, 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.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **1.3 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.

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## **2. RESOLUTIONS 2, 3 AND 4 – ELECTION OF DIRECTORS**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Clause 11.11 of the Constitution and ASX Listing Rule 14.4, any Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Accordingly, Mr Don Carroll who was appointed on 7 September 2016, Mr Nathan Taylor who was appointed on 1 June 2016 and Mr Ariel (Eddie) King who was appointed on 4 October 2016, will each retire in accordance with the Constitution and ASX Listing Rule 14.4, and being eligible, seek election from Shareholders.

### **2.1 Qualifications and other material directorships**

#### Don Carroll

Mr Carroll is a senior resources executive with over 37 years' experience with BHP Billiton and Rio Tinto. Mr Carroll has worked in a variety of leadership, technical, strategy, marketing and business development roles throughout his career. Mr Carroll also has extensive experience across a diversified range of commodities including iron ore, coal and aluminium and has deep networks across Asia, in particular, India and Japan.

Directorships held in other listed entities in the past three years: Kogi Iron Limited (December 2010 – present) and Crystal Peak Minerals Inc. (January 2011 – present).

### Nathan Taylor

Mr Taylor brings to the Board mergers and acquisitions and capital markets experience having worked on numerous domestic and cross border transactions throughout his career. Mr Taylor started his career as a corporate lawyer for Blake Dawson before working for UBS AG and Macquarie Bank Limited in their equity capital markets division. Most recently, Mr Taylor was Head of Mergers and Acquisitions at BBY Limited.

Directorships held in other listed entities in the past three years: Central Rand Gold Limited (September 2013 – present), Torian Resources Limited (March 2014 – December 2015), Stonewall Resources Limited (June 2010 – June 2015) and Kogi Iron Limited (June 2009 – June 2015).

### Ariel (Eddie) King

Mr. King is a qualified mining engineer and holds a Bachelor of Commerce and Bachelor of Engineering from The University of Western Australia. Mr. King is currently a representative for CPS Capital. Mr. King's past experience includes being manager for an investment banking firm, where he specialised in the technical and financial requirements of bulk commodity and other resource projects.

Directorships held in other listed entities in the past three years: Cabral Resources Limited (April 2015 – present) and Lindian Resources Limited (June 2014 – present).

## **2.2 Independence**

### Don Carroll

Mr Don Carroll has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

The Board considers Mr Carroll to be an independent director.

### Nathan Taylor

Mr Nathan Taylor has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

The Board considers Mr Taylor to be an independent director.

### Ariel (Eddie) King

Mr Ariel (Eddie) King has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

The Board considers Mr King to be an independent director.

## 2.3 Board recommendation

The Board (other than Mr Carroll) supports the election of Mr Carroll and recommends that Shareholders vote in favour of Resolution 2.

The Board (other than Mr Taylor) supports the re-election of Mr Taylor and recommends that Shareholders vote in favour of Resolution 3.

The Board (other than Mr King) supports the re-election of Mr King and recommends that Shareholders vote in favour of Resolution 4.

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## 3. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS ON CONVERSION OF CONVERTING LOANS

### 3.1 Background

As announced on 8 July 2016, the Company has entered into converting loan agreements with various lenders (**Lenders**) pursuant to which the Lenders have advanced a total of \$500,000 (**Converting Loans**) to the Company (**Converting Loan Agreements**).

One of these Converting Loan Agreements is with Nathan Taylor, a Director, pursuant to which Mr Taylor has advanced \$100,000 to the Company. Other than Nathan Taylor, none of the Lenders are related parties of the Company (**Unrelated Lenders**).

As announced on 19 October 2016, the Lenders have subsequently agreed, subject to Shareholder approval, to reset the conversion terms of the Converting Loans (plus accrued interest) at a price of \$0.013 (on a post-Consolidation basis) with the attaching Option to be exercisable at \$0.0195 (on a post-Consolidation basis) on or before the date that is 3 years from the date of issue,

Resolution 5 seeks Shareholder approval for the issue of up to 31,653,214 Shares and 31,653,214 Options (each on a post-Consolidation basis) to the Unrelated Lenders on conversion of Converting Loans in the amount of \$400,000 plus accrued interest. Shareholder approval for conversion of the remaining \$100,000 Converting Loan, which is between the Company and Mr Nathan Taylor, a related party of the Company, is the subject of Resolution 6.

The table below shows the maximum number of Shares and Options that may be issued to the Lenders under the Converting Loan Agreements if the Converting Loans are converted:

Lender	Converting Loan Amount	Interest <sup>1</sup>	Issue Price <sup>2</sup>	Number of Shares issued (on a post-Consolidation basis)	Number of Options issued (on a post-Consolidation basis) <sup>3</sup>
Unrelated Lenders (Resolution 5)	\$400,000	\$11,491.78	\$0.013	31,653,214	31,653,214
Nathan Taylor (Resolution 6)	\$100,000	\$3,671.23	\$0.013	7,974,710	7,974,710

**Notes:**

1. Interest on the Converting Loans accrues at a rate of 10% per annum accruing monthly and capitalised into the outstanding amount. The table assumes that interest accrues until the date of this Annual General Meeting of Shareholders.
2. The Shares will be issued at an issue price of \$0.013 per Share (on a post consolidated basis).
3. Options will be issued free attaching to the Shares on a 1:1 basis.

A summary of the key terms of the Converting Loan Agreements is set out in Section 3.2 below.

### **3.2 Converting Loan Agreements**

The key renegotiated terms of the Converting Loan Agreements are as follows:

- (a) **Conversion:** subject to the receipt of Shareholder approval all outstanding monies under the Converting Loan Agreements will convert into Shares upon completion of an equity capital raising by the Company of at least \$2,000,000 (**Recapitalisation Raise**). The Company completed the Recapitalisation Raise on 28 October 2016;
- (b) **Number:** the Company shall issue such number of Shares to the Lenders determined by dividing the outstanding monies by \$0.001 (being \$0.013 on a post-Consolidation basis);
- (c) **Repayment:** subject to conversion of the Converting Loans into Shares, all outstanding monies shall be repaid by the Company to the Lenders, unless mutually agreed by the parties, no later than 5 days after the date of the Annual General Meeting of Shareholders;
- (d) **Interest:** interest will accrue daily at a rate of 10% per annum on the outstanding amount under each Convertible Loan Agreement and will be calculated on a monthly basis on the amount outstanding and capitalised into the outstanding monies; and
- (e) **Attaching Options:** for every one Share issued by the Company to a Lender upon conversion of the Converting Loans, the Company will also issue to the Lender one attaching Option. Each Option will entitle the Lender to purchase one Share in the Company at an exercise price of \$0.0015 (\$0.0195 on a post-Consolidation basis) for a period of 3 years from the date of issue.

### **3.3 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Shares and Options to the Unrelated Lenders in accordance with the terms of the Converting Loan Agreements during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **3.4 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of securities to be issued upon conversion of the \$400,000 of Converting Loans plus accrued interest is 31,653,214 Shares and 31,653,214 Options (each on a post-Consolidation basis);
- (b) the deemed issue price will be \$0.013 per Share (on a post-Consolidation basis) and nil per Option as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (c) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the Shares and Options will be issued to the Unrelated Lenders, none of which are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (g) funds advanced under the Converting Loans were used for creditor settlement and general working capital purposes.

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## **4. RESOLUTION 6 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A DIRECTOR ON CONVERSION OF CONVERTING LOANS**

### **4.1 Background**

Resolution 6 seeks Shareholder approval for the issue of Shares and Options to Mr Nathan Taylor upon the conversion of the Converting Loan between the Company and Mr Nathan Taylor on the same terms as the Converting Loans, the subject of Resolution 5.

### **4.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

Mr Nathan Taylor is a related party of the Company as defined under the Corporations Act by virtue of being a Director of the Company. The proposed issue of Shares and Options to Mr Nathan Taylor upon the conversion of the Converting Loan will constitute the provision of a financial benefit to a related party of the Company.

The Directors (other than Nathan Taylor who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares and Options on conversion of the Converting Loan between the Company and Mr Taylor as the Shares and Options will be issued to Mr Taylor on the same terms as Unrelated Lenders (refer Resolution 5) and as such the giving of the financial benefit is on arm's length terms.

#### **4.3 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 a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors are of the view that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Shares and Options to Mr Taylor under ASX Listing Rule 10.11.

#### **4.4 Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the maximum number of securities to be issued upon conversion of the Converting Loan in the amount of \$100,000 plus accrued interest is 7,974,710 Shares and 7,974,710 Options (each on a post-Consolidation basis);
- (b) the deemed issue price will be \$0.013 per Share (on a post-Consolidation basis) and nil per post Option as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (c) the Shares and Options will be issued to Mr Nathan Taylor (or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) funds advanced under the Converting Loans were used for creditor settlement and general working capital purposes.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares and Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and Options to Mr Nathan Taylor (or his nominee) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **5. RESOLUTION 7 – CONSOLIDATION OF CAPITAL**

### **5.1 Background**

Resolution 7 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a 1 for 13 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward.

### **5.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The ASX Listing Rules also require that the number of Options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

### **5.3 Fractional entitlements**

Not all Security holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 13. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

### **5.4 Taxation**

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation. Neither the Company, the Directors nor any of their advisers accept any responsibility for the individual taxation implications arising from the Consolidation.

### **5.5 Holding statements**

From the date two Business Days after the Consolidation is approved by Shareholders:

- (a) all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis; and
- (b) all certificates for unquoted Options will cease to have any effect, except as evidence of entitlement to a certain number of Options on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to holders thereof and, to the extent required, new certificates for unlisted Options to be issued to Optionholders.

It is the responsibility of each Security holder to check the number of Shares and Options held prior to disposal or exercise (as the case may be).

## 5.6 Effect on capital structure

The effect which the Consolidation and the issue of Securities the subject of Resolutions 5, 6 and 8 will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Unlisted Options <sup>1</sup>
Existing Securities (Pre-Consolidation)	2,455,330,653	8,906,250
<i>Consolidation of Securities (Resolution 7)</i>	<i>188,871,589</i>	<i>685,096</i>
Conversion of Converting Loans (Resolutions 5 and 6 (Post-Consolidation))	39,627,924	39,627,924
<b>Sub-total</b>	<b>228,499,513</b>	<b>40,313,020</b>
Future Placement of Shares (Resolution 8) (Post-Consolidation)	76,923,077 <sup>2</sup>	Nil
<b>Total</b>	<b>305,422,590</b>	<b>40,313,020</b>

### Notes:

1. The terms of these Options are set out in the table below. The Company has no listed Options on issue.
2. This assumes a future placement of \$1,000,000 is completed at an issue price of \$0.013 per Share (on a post-Consolidation basis).

### Options – Pre-Consolidation

Terms	Number
Unquoted Options exercisable at \$0.60 on or before 30 June 2017	1,406,250
Unquoted Options exercisable at \$0.27 on or before 30 June 2017	7,500,000
<b>Total</b>	<b>8,906,250</b>

### Options – Post-Consolidation

Terms	Number
Unquoted Options exercisable at \$7.80 on or before 30 June 2017	108,173
Unquoted Options exercisable at \$3.51 on or before 30 June 2017	576,923
Options to be issued on conversion of the Converting Loans:	
Unquoted Options exercisable at \$0.0195 on or before the date that is 3 years from the issue date (Resolutions 5 and 6) <sup>1</sup>	39,627,924
<b>Total</b>	<b>40,313,020</b>

### Note:

1. The Options are free attaching with the Shares issued on conversion of the Converting Loans on a 1:1 basis.

## 5.7 Indicative timetable

If this Resolution 7 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Event	Date
Despatch of Notice of Meeting	28 October 2016
Meeting held to approve the Consolidation ASX notified whether Shareholders' approval has been granted for the Resolutions	29 November 2016
Ex date Last day for pre-Consolidation trading	30 November 2016
Post-Consolidation trading starts on a deferred settlement basis	1 December 2016
Record date Last day to register transfers on a pre-Consolidation basis	2 December 2016
First day for the Company to send notice to each security holder of the change in their details of holdings First day for the Company to register securities on a post-Consolidation basis	5 December 2016
Issue date – deferred settlement market ends Last day for the Company to send notice to each security holder of the change in their details of holdings	9 December 2016

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## 6. RESOLUTION 8 – APPROVAL OF FUTURE PLACEMENT OF SHARES

### 6.1 Background

Resolution 8 seeks Shareholder approval for a proposed issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$1,000,000 (**Future Placement**).

A summary of ASX Listing Rules 7.1 is set out in Section 3.3 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to the Future Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.2 Information Required ASX Listing Rule 7.1

Pursuant to and in accordance ASX Listing Rule 7.3, the following information is provided in relation to the Future Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$1,000,000 (on a post-Consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur progressively;
- (c) the issue price of the Shares (on a post-Consolidation basis) will be not less than 80% of the volume weighted average market price of Shares on ASX calculated over the last 5 days on which sales in the Shares are

recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days in which sales in the Shares were recorded before the date the prospectus is signed;

- (d) the allottees in respect of Resolution 8 are not, as yet, identified, but will likely be sophisticated and professional investors identified by the Company and the clients of any brokers appointed by the Company to manage the Future Placement. These persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to allocate funds, assuming the full \$1,000,000 is raised, to working capital, corporate overheads, exploration programs and review of other project opportunities.

### 6.3 Dilutionary Effect

The dilutionary effect which the proposed Future Placement will have on current Shareholders will be dependent upon the actual price at which Shares are issued. The table below gives an example of the dilutionary effect the Future Placement may have on current Shareholders based on possible prices (\$0.01, \$0.013 and \$0.016) at which the Share issue may take place (the actual number of Shares which will be issued will depend upon the Company's Share price at the time the issues are made and cannot therefore be determined at this time):

	Issue Price		
	\$0.01	\$0.013	\$0.016
Total prior to Future Placement of Shares (refer to section 5.6 above)*	228,499,513	228,499,513	228,499,513
Shares issued under Future Placement	100,000,000	76,923,077	62,500,000
Total	328,499,513	305,422,590	290,999,513
Dilution	30.44%	25.19%	21.48

\* Assumes that no other Shares are issued and none of the existing Options have been converted into Shares.

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## 7. RESOLUTION 9 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

### 7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek Shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,455,331 (based on the number of Shares on issue and the closing price of Shares on the ASX on 13 October 2016).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: WMN).

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

## **7.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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 ASX trading days of the date in paragraph 7.2(a)(i), the date on which the Equity Securities are issued.

### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0065 (50% decrease in Issue Price)	\$0.013 (Issue Price)	\$0.0195 (50% increase in Issue Price)
328,499,513 (Current Variable A)	Shares issued – 10% voting dilution	32,849,951 Shares	32,849,951 Shares	32,849,951 Shares
	Funds raised	\$213,525	\$427,049	\$640,574
492,749,270 (50% increase in Variable A)	Shares issued – 10% voting dilution	49,274,927 Shares	49,274,927 Shares	49,274,927 Shares
	Funds raised	\$320,287	\$640,574	\$960,861
656,999,026 (100% increase in Variable A)	Shares issued – 10% voting dilution	65,699,903 Shares	65,699,903 Shares	65,699,903 Shares
	Funds raised	\$427,049	\$854,099	\$1,281,148

\*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 328,499,513 Shares (on a post-Consolidated basis) on issue comprising:
  - (a) 188,871,589 existing Shares (on a post consolidated basis) as at the date of this Notice of Annual General Meeting;
  - (b) 139,627,924 Shares which will be issued if Resolutions 5, 6 and 8 are passed at this Meeting and assuming that 100,000,000 Shares are issued pursuant to the Future Placement.
2. The issue price set out above is the closing price of the Shares on the ASX on 28 October 2016 on a post consolidated basis.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(h) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for exploration of its projects and potentially the funding for any suitable acquisition opportunities identified by the Board; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, 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 ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(i) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(j) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2015 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 29 November 2015, the Company otherwise issued a total of 2,260,584,141 Shares and 7,500,000 Options which represents approximately 1150% of the total diluted number of Equity Securities on issue in the Company on 29 November 2015, which was 196,559,012.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(i) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and
- (ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

### **7.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

## SCHEDULE 1 – ISSUE OF EQUITY SECURITIES SINCE 30 NOVEMBER 2015

Date	Quantity	Class	Recipients	Issue price and discount to Market Price <sup>1</sup>	Amount raised and use of funds or value of non-cash consideration
Issue – 24/12/15 Appendix 3B – 24/12/15	39,483,503	Shares <sup>2</sup>	Vendors of PT. Mekongga and PT. Eagle Rich	Nil cash consideration	Non-Cash Consideration: for the acquisition of exploration assets as approved by Shareholders on 30 November 2015. Current value <sup>5</sup> : \$39,484
Issue – 24/12/15 Appendix 3B – 24/12/15	3,000,000	Shares <sup>2</sup>	Lanstead Capital LP	Nil cash consideration	Non-Cash Consideration: for Sharing Agreement facility fee Current value <sup>5</sup> : \$3,000
Issue – 05/01/16 Appendix 3B – 05/01/16	7,500,000	Options <sup>3</sup>	Lanstead Capital LLC	Nil cash consideration	Non-Cash Consideration: issued as part of the placement announced on 29/10/15. Current value <sup>5</sup> : \$nil
Issue – 08/07/16 Appendix 3B – 08/07/16	35,584,502	Shares <sup>2</sup>	Private investors	\$0.001 (discount of 80%)	Cash Amount raised <sup>3</sup> : \$35,585 Use of cash: payment of creditors
Issue – 08/08/16 Appendix 3B – 14/07/16	532,080,637	Shares <sup>2</sup>	Recipients under an entitlement issue pursuant to a prospectus dated 14 July 2016	\$0.001 (discount of 50%)	Cash Amount raised <sup>3</sup> : \$532,081 Use of cash: Expenses of the offer, corporate overheads, working capital, exploration expenditure on existing assets and review of acquisition opportunities.
Issue – 07/09/16 Appendix 3B – 14/07/16	1,053,944,570	Shares <sup>2</sup>	Private investors subscribing for shortfall under an entitlement issue pursuant to a prospectus dated 14 July 2016	\$0.001 (nil discount)	Cash Amount raised <sup>3</sup> : \$1,053,945 Use of cash: Expenses of the offer, corporate overheads, working capital, exploration expenditure on existing assets and review of acquisition opportunities.
Issue – 19/10/16 Appendix 3B – 14/07/16	290,000,000	Shares <sup>2</sup>	Private investors subscribing for shortfall under an entitlement issue pursuant to a prospectus dated 14 July 2016	\$0.001 (nil discount)	Cash Amount raised <sup>4</sup> \$290,000 Use of cash: Expenses of the offer, corporate overheads, working capital, exploration expenditure on existing assets and review of acquisition opportunities.
Issue – 28/10/16 Appendix 3B – 14/07/16	306,490,929	Shares <sup>2</sup>	Private investors subscribing for shortfall under an entitlement issue pursuant to a prospectus dated 14 July 2016	\$0.001 (nil discount)	Cash Amount raised <sup>4</sup> \$306,491 Use of cash: Expenses of the offer, corporate overheads, working capital, exploration expenditure on existing assets and review of acquisition opportunities.

**Notes:**

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

2. Fully paid ordinary shares in the capital of the Company, ASX Code: WMN (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.27 each, on or before 30 June 2017. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 17 March 2016.
4. The cash balance of the Company on 30 November 2015 was approximately \$0.4m. The aggregate amount raised from issues of Equity Securities listed in Schedule 1 is \$2.2m. A further \$0.5m has been raised through convertible loans, which are to be converted into Shares, subject to approval at this meeting. The cash balance of the Company as at the date of this Notice is approximately \$2.2m. The amount spent since 30 November 2015 to the date of this Notice has been approximately \$0.9m. These funds have been spent on exploration activities and operating expenses of the Company.
5. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.001) on the ASX on 28 October 2016. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

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## SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTING LOAN OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.0015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then shares of the Company.

(i) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **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 Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) **Quotation of the Options**

The Company will not apply for quotation of the Options on ASX.

(n) **Options Transferable**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## GLOSSARY

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In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 7.1 of this Notice.

**2016 Annual Report** means the Company's annual report for the year ended 30 June 2016, which can be downloaded from the Company's website at [www.wmngraphite.com](http://www.wmngraphite.com).

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 724 791) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the official Listing Rules of ASX.

**Board** means the Board of Directors of the Company.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** or means Western Mining Network Limited (ABN 63 144 179 667).

**Constitution** means the Company's constitution.

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

**Directors** mean the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement to this Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

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

**Remuneration Report** means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2016 Annual Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time.

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2)

PROXY FORM

APPOINTMENT OF PROXY
WESTERN MINING NETWORK LIMITED
ABN 63 144 079 667

ANNUAL GENERAL MEETING

I/We [ ]
of [ ]

being a member of Western Mining Network Limited entitled to attend and vote at the Annual General Meeting, hereby appoint

Name [ ]
Proxy: [ ]

OR [ ] the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the "Mining Corporate Boardroom", Level 11, 216 St Georges Terrace, Perth, Western Australia at 10:00am WST on Tuesday, 29 November 2016, 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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

Table with 3 columns: Resolution, Description, FOR, AGAINST, ABSTAIN. Rows include Adoption of Remuneration Report, Election of Director - Don Carroll, Election of Director - Nathan Taylor, Election of Director - Ariel (Eddie) King, Approval to issue Shares and Options on conversion of Converting Loans, Approval to issue Shares and Options to a Director on conversion of Converting Loans, Consolidation of Capital, Approval of future placement of Shares, Approval for Additional Placement Capacity.

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 to be counted in computing the required majority on a poll.

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

Signature of Member(s): \_\_\_\_\_ Date: \_\_\_\_\_

Individual or Member 1

[ ]

Sole Director/Company Secretary

Member 2

[ ]

Director

Member 3

[ ]

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Consent for contact by e-mail YES [ ] NO [ ]

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## Instructions for Completing 'Appointment of Proxy' Form

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1. **(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. 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.
2. **(Direction to vote):** 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 proportion or number of votes that the proxy may exercise by writing the percentage or 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.
3. **(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 provided 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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(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.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Western Mining Network Limited, GPO Box 2517, Perth, Western Australia 6831; or
  - (b) facsimile to the Company on facsimile number +61 8 9463 6103; or
  - (c) send the Proxy Form by e-mail to david@miningcorporate.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**