

6<sup>th</sup> September 2016

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that an Annual General Meeting of the shareholders of Alt Resources Limited (the **Company**) will be held at 2:00pm (Sydney Time) on Friday 7 October 2016 at The Rugby Club, 31 Pitt Street, Sydney NSW.

The following relate to the Annual General Meeting of Shareholders:

- Notice of how to access a copy of the Company's electronic Annual Report for the year ending 30 June 2016;
- Notice of meeting for the Annual General Meeting, including the Explanatory Memorandum; and
- Proxy Form and return envelope.

If you are attending the Annual General Meeting in Sydney and have not lodged a Proxy Form, please bring the Proxy Form with you to assist with registration.

If you are not attending the Annual General Meeting in Sydney, you can lodge a completed Proxy Form by returning it in the enclosed envelope, or alternately by facsimile.

Please be aware that Proxy Forms need to be received by Alt Resources Ltd by no later than 2:00pm (Sydney time) on Wednesday 5 October 2016. Further details on lodging your Proxy Forms can be found on the reverse side of the Proxy Form.

## **NOTICE OF HOW TO ACCESS A COPY OF THE COMPANY'S ELECTRONIC ANNUAL REPORT FOR THE YEAR ENDING JUNE 30 2016**

Alt Resources has adopted regulations that enable the Company to make copies of the Annual Report available electronically, unless a shareholder elects to receive a hard copy.

In accordance with the Corporations Act, the Company advises that a copy of its Annual Report for the year ending 30 June 2016 is available on the Alt Resources website, [www.altresources.com.au](http://www.altresources.com.au). When you access the Company's Annual Report online, you can view it, search for specific information and print a copy of the Annual Report.

Please note that if you have elected to continue to receive a hard copy of the Company's Annual Report, it will be mailed to you no later than 28 days before the Annual General Meeting.

**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.**

**ALT RESOURCES LIMITED**  
**ACN 168928416**

**NOTICE OF 2016 ANNUAL GENERAL MEETING**

The Annual General Meeting of Shareholders of Alt Resources Limited (**Company**) will be held at The Rugby Club 31 Pitt Street, Sydney, New South Wales, on Friday 7 October 2016 at 2:00pm (Sydney time).

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered at the Annual General Meeting.

**MEETING AGENDA**

**FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the Financial Statements of the Company for the financial year ended 30 June 2016 together with the Director's Report and Audit Report and to provide Shareholders with the opportunity to raise any issues or ask any questions of the Directors.

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**RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT (NON-BINDING RESOLUTION)**

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

*"That the Remuneration Report contained in the Company's Annual Report for the financial year ending 30 June 2016 be adopted."*

**Voting Exclusion:** Key management personnel whose remuneration details are contained in the remuneration report (and their closely related parties) are restricted from voting on this resolution under section 250R (4) of the Corporations Act

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**RESOLUTION 2: RE-ELECTION OF A DIRECTOR – MR CLIVE BUCKLAND**

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

*"That, for the purpose of clause 13.2 (Rotation of Directors) of the Company's Constitution and for all other purposes, Mr Clive Buckland, a director who retires by rotation, and being eligible, is re-elected as a Director of the Company."*

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### **RESOLUTION 3: APPROVAL TO ISSUE 1,000,000 PERFORMANCE SHARES TO DIRECTOR RUSSELL FOUNTAIN**

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

*“That, approval is given for the Company to issue 1,000,000 Performance Shares, to Director Russell Fountain on the terms and conditions set out in the Explanatory Statement, and in accordance with ASX Listing Rule 10.11 which requires the approval of holders of the Company’s ordinary securities.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Russell Fountain, his nominee and any of their associates. However, the Company will 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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### **RESOLUTION 4: APPROVAL OF 10% PLACEMENT CAPACITY**

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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 issue of Equity Securities under this Resolution 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 will 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.

### **IMPORTANT INFORMATION**

#### **1.1 Your vote is important**

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

#### **1.2 Voting eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the

Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on Wednesday 5 October 2016.

### **1.3 Voting In Person**

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

### **1.4 Voting by proxy**

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, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder 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 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 (ie 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 (ie 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 (ie as directed).

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

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

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

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

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**Dated: 6th September 2016**

By order of the Board

A handwritten signature in black ink, appearing to read 'C Buckland', written in a cursive style.

Mr Clive Buckland  
**Company Secretary**

## **EXPLANATORY STATEMENT**

The Explanatory Memorandum has been prepared to assist shareholders in determining how to vote on the resolutions set out in the Notice of Annual General Meeting (Notice of Meeting) and is intended to be read in conjunction with the Notice of Meeting.

## **FINANCIAL STATEMENTS AND REPORTS**

As required by section 317 of the Corporations Act, the Company will lay its annual financial report, Director's Report and auditor's report for the year ended 30 June 2016 before the Shareholders at the meeting. There is no requirement for Shareholders to approve these reports. However, the Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, any aspect of the report they wish to discuss.

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## **RESOLUTION 1: ADOPTION OF THE REMUNERATION REPORT**

The Annual Report for the year ending June 30 2016 contains the Remuneration Report which;

- a) explains the principles used by the Board to determine the nature and level of remuneration paid to Directors and other key management personnel of the Company;
- b) sets out the remuneration details for each of the key management personnel of the Company;
- c) if an element of remuneration is performance based, explains why the performance conditions were chosen and how performance is measured against those conditions;

The Remuneration Report is in the Annual Report, a copy of which is available on the Company's website at [www.altresources.com.au](http://www.altresources.com.au).

The Corporations Act requires that the section of the director's report dealing with remuneration of key management personnel including the directors (Remuneration Report) be put to a vote of shareholders for adoption by way of a non-binding vote.

The resolution of shareholders is advisory and not binding on the Company. However, if more than 25% of the votes cast on this resolution are against the adoption of the Remuneration Report, the Remuneration Report for the following year must either address any comments received from shareholders or explain why no action has been taken in response to those comments. If, at the following annual general meeting, the Remuneration Report is again voted against by 25% or more votes cast, a "spill resolution" will be put to shareholders. If at least 50% of the votes cast are in favour of the "spill resolution" a special meeting of the Company will be held within 90 days at which the directors in office at the time of the second annual general meeting must resign and stand for re-election.

This is the first Annual General Meeting of the Company as a Publicly Listed Company, as such this is the first resolution to adopt the Remuneration Report.

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## **RESOLUTION 2: RE-ELECTION OF A DIRECTOR – MR CLIVE BUCKLAND**

Mr Clive Buckland was appointed as a director of the Company on April 11, 2014. Mr Clive Buckland retires from office under clause 13.2 of the Company's constitution and submits himself for re-election as a director.

Details of Mr Clive Buckland's qualifications and experience are set out in the Company's annual report.

The Directors (other than Mr Clive Buckland who, given his interest in the outcome of this Resolution, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

Mrs Jane Barron and Mr Russell Fountain have retired from the Board under clause 13.2 of the Company's constitution (rotation of directors) and have tendered their resignation to the Board effective from the close of the annual general meeting. Mrs Barron and Mr Fountain will therefore cease to hold office after this meeting.

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## **RESOLUTION 3: APPROVAL TO ISSUE 1,000,000 PERFORMANCE SHARES TO DIRECTOR RUSSELL FOUNTAIN**

The Board has resolved, subject to obtaining Shareholder approval, to issue 1,000,000 Performance Shares to Director Russell Fountain. The Performance Shares will convert to ordinary shares only when and if the following terms and conditions are achieved.

Performance Shares Terms and Conditions:

- a) for Class A Performance Shares, upon the Company and GFM defining a JORC Indicated Mineral Source of 250,000 ounces of Gold, 500,000 Performance Shares will convert to 500,000 Company Shares.
- b) for Class B Performance Shares, upon the Company and GFM defining a JORC Indicated Mineral Source of 500,000 ounces of Gold, 500,000 Performance Shares will convert to 500,000 Company Shares.
- c) the determination of JORC Indicated Mineral Source relates to the Company's Paupong and Myalla Projects only.

The intended issue of performance shares to Russell Fountain, a Director of Alt Resources, was disclosed in the Company's prospectus documentation.

### ***Information required by Listing Rule 10.13***

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Statement for that purpose.

- a) The Performance Shares will be granted to the Director Russell Fountain.
- b) The maximum number of Performance Shares pursuant to Resolution 3 is 1,000,000.
- c) The Performance Shares will be issued on a date which will be no later than 1 month after the date of the meeting.
- d) The terms and conditions of the Performance Shares are set out in Annexure A to this Explanatory Statement.
- e) The Performance Shares will be for no consideration and accordingly no funds will be raised by the issue of the Performance Shares



- f) A voting exclusion statement is included in this notice.

The Directors (other than Mr Russell Fountain who, given his interest in the outcome of this Resolution, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

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## RESOLUTION 4: APPROVAL OF 10% PLACEMENT CAPACITY - SHARES

### 1.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 1.2 below).

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 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 4 for it to be passed.

### 1.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

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.

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 \$11,061,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: ARS).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- B** is 10%.
- C** 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 issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### **1.3 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 4:

**(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 section 1.3 (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 Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this 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 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 4 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)	\$0.0875 50% decrease in Issue Price	\$0.175 Issue Price	\$0.35 50% increase in Issue Price
<b>91,702,562</b> (Current Variable A)	Shares issued - 10% voting dilution	9,170,256 Shares	9,170,256 Shares	9,170,256 Shares
	Funds raised	\$802,3979	\$1,604,794	\$3,209,588
<b>137,553,843</b> (50% increase in Variable A)	Shares issued - 10% voting dilution	13,755,384 Shares	13,755,384 Shares	13,755,384 Shares
	Funds raised	\$1,203,596	\$2,407,192	\$4,814,384
<b>183,405,124</b> (100% increase in Variable A)	Shares issued - 10% voting dilution	18,340,512 Shares	18,340,512 Shares	18,340,512 Shares
	Funds raised	\$1,604,794	\$3,209,589	\$6,419,178

\*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:**

- There are currently 91,702,562 Shares on issue comprising:
  - 73,745,383 existing Shares as at the date of this Notice of Meeting;

- (b) 7,336,205 Shares which will be issued if Resolution No. 4 is passed at this Meeting; and
  - (c) 10,620,974 Shares which are to be issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.
2. The issue price set out above is the closing price of the Shares on the ASX on 1st September 2016.
  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 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.
  10. The Company has not previously sought approval of a 10% placement capacity under Listing Rule 7.1A

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 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.

(d) **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 the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions and 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) Allocation policy 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 circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (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.

**(f) 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 must 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 Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### **1.4 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 4.

#### **1.5 Director Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

## **GLOSSARY**

**\$** means Australian dollars.

**10% Placement Facility** has a meaning given to that term in the Explanatory Statement.

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

**ASX** means ASX Limited or the securities exchange market operated by it, as the context requires

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

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

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

**Clause** means a clause of the Company's Constitution

**Company** means ALT Resources Limited (ACN 168 928 416).

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

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

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

**Equity Securities** has the same meaning as in the Listing Rules

**Explanatory Statement** means the explanatory statement accompanying the 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.

**Performance Shares** has a meaning given to that term in the Explanatory Statement.

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

**Resolutions** means the resolutions set out in the Notice, 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 registered holder of a Share.

**Sydney Time** means Eastern Standard Time as observed in Sydney, New South Wales.

**TERMS AND CONDITIONS OF PERFORMANCE SHARES**

The terms of the Performance Shares are set out as follows:

- (a) **(Performance Shares)**: Each Performance Share is a share in the capital of the Company.
- (a) **(General Meetings)**: The Performance Shares shall confer on the holder **(Holder)** the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the Company Shareholders. Holders have the right to attend general meetings of the Company Shareholders.
- (b) **(No Voting Rights)**: The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company Shareholders, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (c) **(No Dividend Rights)**: The Performance Shares do not entitle the Holder to any dividends.
- (d) **(No Rights on Winding Up)**: Upon winding up of the Company, the Performance Shares may not participate in the surplus profits or assets of the Company.
- (e) **(Transfer of Performance Shares)**: The Performance Shares are not transferable.
- (f) **(Reorganisation of Capital)**: In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (g) **(Application to ASX)**: The Performance Shares will not be quoted on ASX. Upon conversion of the Performance Shares into the Company Shares in accordance with these terms, The Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (h) **(Participation in Entitlements and Bonus Issues)**: Subject always to the rights under item (f) (Reorganisation of Capital), holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Company Shares such as bonus issues and entitlement issues.
- (i) **(Amendments required by ASX)**: The terms of the Performance Shares may be amended as necessary by the Company Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such



amendment, the economic and other rights of the Holder are not diminished or terminated.

- (j) **(No Other Rights):** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### **Conversion of the Performance Shares**

- (k) **(Issue of Performance Shares):** The Performance Shares will be issued on a date which will be no later than 1 month after the date of the meeting.

- (l) **(Milestones):** The Performance Shares will convert upon satisfaction of the following milestones:

- (a) for Class A Performance Shares, upon the Company and GFM defining a JORC Indicated Mineral Resource of 250,000 ounces of Gold, 6 million Performance Shares will convert into 6 million Company Shares;

- (b) for Class B Performance Shares, upon the Company and GFM defining a JORC Indicated Mineral Resource of 500,000 ounces of gold, 6 million Performance Shares will convert into 6 million Company Shares;

(each referred to as a **Milestone**).

- (m) **(Conversion of Performance Shares):** In the event a Milestone is satisfied, the respective Performance Shares held by the Holder will convert into an equal number of Company Shares.

- (n) **(No Conversion if Milestone not Achieved)** Any Performance Share not converted into Company Shares within 5 years from the issue of the Performance Share will lapse.

- (o) **(After Conversion)** The Company Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other the Company Shares then on issue and application will be made by the Company to ASX for official quotation of the Company Shares issued upon conversion.

- (p) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Company Shares as soon as practicable following the conversion of the Performance Shares into Company Shares.

- (q) **(Ranking of Shares)** The Company Shares into which the Performance Shares will convert will rank pari passu in all respects with the Company Shares on issue at the date of conversion.

- (r) **(Conversion on takeover or merger):** Subject to the ASX's discretion upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company:

- (i) having received acceptances for not less than 50.1% of the Company's shares on issue; and

- (ii) being declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

that number of Performance Shares automatically convert on a pro rata basis to each Holder to that number of Shares which when issued together with all Shares issued under any other class of Performance Shares then on issue, is equal to 10% of the total Shares on issue in the Company at that time. Performance Shares that are not converted into Shares will continue to be held by the Holders on the same terms and conditions.