

# **GBM Gold Ltd**

ACN 119 956 624

## Notice of annual general meeting

Meeting to be held: 23 November 2016 at 1:00 pm at 66 Ham Street, Kangaroo Flat  
Victoria, 3555

# Definitions

A number of capitalised terms are used throughout this notice of annual general meeting and explanatory memorandum. Except to the extent the context otherwise requires:

<b>Term</b>	<b>Definition</b>
<b>ASIC</b>	means Australian Securities & Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of Directors of the Company.
<b>Chairman</b>	means the chairman of the Company.
<b>Company or GBM</b>	means GBM Gold Limited ACN 119 956 624.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice.
<b>KMP</b>	means key management personnel as defined in the Corporations Act.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice</b>	means this notice of annual general meeting.
<b>Shareholders</b>	means the registered holders of Shares in the Company.
<b>Shares</b>	means a fully paid ordinary share in the capital of the Company.

# Notice of Annual General Meeting

## GBM Gold Ltd ACN 119 956 624

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Notice is given that the annual general meeting of GBM Gold Ltd ACN 119 956 624 (**Company**) will be held at:

<b>Location</b>	66 Ham Street, Kangaroo Flat, Victoria, 3555
<b>Date</b>	23 November 2016
<b>Time</b>	1:00 pm

## Ordinary business

### Financial statements and reports

To receive and consider the Company's financial reports and the reports of the Directors and the auditor for the financial year ended 30 June 2016.

#### 1. Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) of the Corporations Act:

*'That the remuneration report for the financial year ended 30 June 2016 be adopted.'*

**Note:** This resolution will be decided as if it were an ordinary resolution but under section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the Directors of the Company.

**Note:** Votes must not be cast on this resolution (in any capacity) by or on behalf of members of key management personnel (**KMP**) details of whose remuneration are included in the remuneration report or their closely related parties. Refer to note 4 below for further information.

#### 2. Retirement and re-election of John Harrison

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*'That John Harrison, who retires by rotation under rule 3.6 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'*

**Note:** Information about the candidate appears in the Explanatory Memorandum.

#### 3. Retirement and re-election of Andy Lai

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

*'That Andy Lai, who retires by rotation under rule 3.6 of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'*

## Special business

### 4. Ratification and approval of previous allotment and issue of securities

To consider, and if in favour, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of ASX Listing Rule 7.4, Shareholders ratify and approve the previous issue of 130,000,000 fully paid ordinary shares as detailed in the Explanatory Memorandum.'*

### 5. Additional capacity to issue equity securities

To consider and, if in favour, to pass the following resolution as a special resolution:

*'That the Company be provided an additional 10% capacity to issue equity securities under Listing Rule 7.1A on the terms set out in the Explanatory Memorandum.'*

### 6. Approval of issue of securities to Directors

#### Resolution 6(a)

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of ASX Listing Rule 10.11, the issue of 3,000,000 fully paid ordinary shares to Andrew Chan as detailed in the Explanatory Memorandum be approved.'*

#### Resolution 6(b)

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

*'That, for the purposes of ASX Listing Rule 10.11, the issue of 3,000,000 fully paid ordinary shares to Linda Lau as detailed in the Explanatory Memorandum be approved.'*

Date 25 October 2016

By order of the Board



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Andrew Chan  
**Company Secretary**

#### Notes

- 1 A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- 2 The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- 3 If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- 4 KMP or their closely related parties (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:

- a. the proxy is the person chairing the meeting; and
  - b. the proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on that resolution.
- 5 A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- 6 The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7.00pm (Victorian time) on 21 November 2016.

## **Voting exclusion statement**

### **Corporations Act**

The Company will disregard votes cast on resolutions 1, 6(a) and 6(b) by a member of the KMP, details of whose remuneration are included in the remuneration report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

### **ASX Listing Rules**

Pursuant to the requirements of ASX Listing Rule 14.11, the Company will disregard any votes cast by:

Resolution 4 – Ratification and approval of previous allotment and issue of securities	Any person who participated in the issue or who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if the resolution is passed or any of their associates.
Resolution 5 – Approval of additional capacity to issue shares under Listing Rule 7.1A	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, or an associate of that person.  Note: Under Listing Rule 14.11.1 and the notes under that rule about Rule 7.1A, as at the date of this notice of meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.
Resolutions 6(a), 6(b), – Issue of securities to Directors	The persons to whom the securities are to be issued or any of their associates.

However, the Company need not disregard a vote if it is cast by:

- a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy voting form to vote as the proxy decides.

### **Voting by Proxy**

If you wish to appoint a proxy, to be effective, proxy forms must be received by the Company at its registered office, no later than 1:00 pm on 21 November 2016 (48 hours prior to the commencement of the meeting):

#### **By mail or hand delivery**

66 Ham St, Kangaroo Flat, Victoria 3555

#### **By fax**

+61 3 5444 0036

# Explanatory Memorandum

## GBM Gold Ltd ACN 119 956 624

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### 1. Introduction

- 1.1 This Explanatory Memorandum accompanies the notice of annual general meeting (AGM) of the Company (**Notice**) to be held at 1.00pm on 23 November 2016.
- 1.2 The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice and is intended to be read in conjunction with the Notice.

### 2. Item 1 – Financial statements and reports

- 2.1 The Corporations Act requires that the report of the Directors, the auditor's report and the financial report be laid before the annual general meeting.
- 2.2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of Shareholders at the annual general meeting on the financial statements and reports. However, Shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.
- 2.3 Shareholders may also submit written questions to the Company's auditor if the question is relevant to the content of the audit report or the conduct of its audit of GBM's annual report for the year ended 30 June 2016.

**Note:** Under section 250PA(1) of the Corporations Act, a Shareholder must submit the questions to the Company no later than the fifth business day before the day on which the AGM is held.

- 2.4 Any written questions must be submitted to the Company's registered office at 66 Ham Street, Kangaroo Flat, Victoria 3555, or faxed to the registered office at +61 3 5444 0036 on or before 16 November 2016.

### 3. Resolution 1 – Adoption of remuneration report

- 3.1 Section 250R(2) of the Corporations Act requires that the section of the Directors' report dealing with the remuneration of the Company's KMP be put to Shareholders for adoption.
- 3.2 The resolution of Shareholders is advisory only and not binding on the directors or the Company.
- 3.3 The remuneration report is contained in the Company's 2016 annual report, which is available on the Company's website at [www.gbmgold.com.au](http://www.gbmgold.com.au).
- 3.4 The report:
- (a) explains the Board's policies in relation to the nature and level of remuneration paid to the Company's KMP;
  - (b) discusses the link between the Board's policies and the Company's performance;
  - (c) sets out the remuneration details for each of the KMP; and
  - (d) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

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

#### **4. Resolution 2 – Retirement and re-election of John Harrison**

##### **Background**

4.1 Rule 3.6 of the Company's constitution requires that at every annual general meeting, one-third of the directors (other than the Managing Director) must retire from office.

4.2 Having retired by rotation in accordance with rule 3.6 of the Company's constitution, and being eligible, John Harrison offers himself for re-election.

##### **Information on John Harrison**

4.3 John was appointed to the Board on 22 May 2013. John is a mining engineer with 44 years of experience in mining and exploration throughout Australia. He is a Member of the Institution of Engineers (Australia) and a Fellow of the Australasian Institute of Mining and Metallurgy.

4.4 John's expertise is in management, project evaluation, planning and mining operations. During his career with the State Electricity Commission of Victoria, CSR Ltd, Australian Mining Consultants, Adelaide Hills Council and the University of South Australia he has managed engineering and operational teams, operated open pit mines, evaluated exploration and mining projects and lectured in mining engineering.

##### **Recommendation**

4.5 The Directors (other than John Harrison who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

#### **5. Resolution 3 – Retirement and re-election of Andy Lai**

5.1 Rule 3.6 of the Company's constitution requires that at every annual general meeting, one-third of the directors (other than the Managing Director) must retire from office.

5.2 Having retired by rotation in accordance with rule 3.6 of the Company's constitution, and being eligible, Andy Lai offers herself for re-election.

##### **Information on Andy Lai**

5.3 Andy was appointed to the Board on 17 October 2011. Andy is an MBA from the Chinese University of Hong Kong and has extensive experience in financing, capital markets and corporate management.

5.4 Andy is Managing Director of Yorkshire Capital Limited, a merchant bank operation since 1993. He has been responsible for numerous IPO and RTO cases worldwide and numerous M&A and financing projects with total value of over US\$3 billion. In recent years, his focus has been on mining and resources business covering financing, investment & M&A initiatives.

##### **Recommendation**

5.5 The Directors (other than Andy Lai who does not make a recommendation) unanimously recommend that Shareholders vote in favour of this resolution.

## 6. Resolution 4 – Ratification and approval of previous allotment and issue of securities

### Background

- 6.1 The purpose of resolution 4 is for Shareholders to approve and ratify under ASX Listing Rule 7.4, those security issues which occurred during the 12 months before the date of the annual general meeting and which count toward the Company's 15% limit under ASX Listing Rule 7.1 (**Ratification Securities**).
- 6.2 ASX Listing Rule 7.1 provides that (subject to certain exceptions), prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.
- 6.3 The allotment and issue of Ratification Securities without approval under ASX Listing Rule 7.1 did not exceed the 15% threshold and are also able to be ratified in accordance with ASX Listing Rule 7.4.
- 6.4 ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.
- 6.5 Resolution 4 therefore proposes the ratification and approval of the allotment and issue of Ratification Securities for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

### Additional information required in relation to the Ratification Securities

- 6.6 The information required to be given to Shareholders in relation to the Ratification Securities to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5. In compliance with the information requirements of ASX Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the allotment and issue:

<b>Date of issue</b>	20 May 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	40,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	20,000,000 - Silver Bright International Development Limited. 10,000,000 - Tom and Tania Vlahos as trustees of the Vlahos Superannuation Fund. 10,000,000 - Peter August & Helen August <Superannuation Fund>
<b>Cash consideration</b>	\$400,000
<b>Use of funds raised by the issue</b>	Working capital



<b>Date of issue</b>	4 July 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	80,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	The securities were issued to Silver Bright International Development Limited.
<b>Cash consideration</b>	Working capital
<b>Use of funds raised by the issue</b>	\$800,000

<b>Date of issue</b>	20 July 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	10,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	6,500,000 - Andrew Mounas. 1,000,000 - Zimbia Pty Ltd atf AMR Superannuation Fund 2,500,000 - Aphrodite Islands Pty Ltd atf G&M Georgiou Superannuation Fund
<b>Use of funds raised by the issue</b>	No funds were raised by the Company from the issue of the securities.
<b>Date of issue</b>	20 July 2016

### **Recommendation**

- 6.7 The Directors unanimously recommend that Shareholders vote in favour of this resolution.

## **7. Resolution 6 – Additional capacity to issue equity securities**

### **Background**

- 7.1 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its issued capital in any 12 month period without requiring Shareholder approval.
- 7.2 Under ASX Listing Rule 7.1A, eligible entities, being companies that are outside the S&P/ASX 300 index and have a market capitalisation of \$300 million or less, can issue a further 10% (on top of the 15% permitted by ASX Listing Rule 7.1) of the share capital in 12 months on a non pro rata basis.

- 7.3 The Company is an eligible entity as at the date of this notice and must remain compliant with the requirements of ASX Listing Rule 7.1A to be able to utilise the additional capacity to issue Shares under that Listing Rule.
- 7.4 The ability of the Company to issue Shares under ASX Listing Rule 7.1A is subject to Shareholder approval by way of special resolution at an annual general meeting.
- 7.5 For the purposes of ASX Listing Rule 7.3A the Company provides the following information:

<b>Minimum price at which the equity securities may be issued</b>	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> <li>▪ the date on which the price, at which the Shares are to be issued, is agreed; or</li> <li>▪ if the Shares are not issued within five trading days of that date, the date on which the Shares are issued.</li> </ul>
<b>Risk of economic and voting dilution</b>	<p>An issue of Shares under ASX Listing Rule 7.1A involves the risk of economic and voting dilution for existing Shareholders. The risks include:</p> <ul style="list-style-type: none"> <li>▪ the market price for Shares may be significantly lower on the issue date other than on the date of the approval under Listing Rule 7.1A; and</li> <li>▪ Shares may be issued at a price that is at a discount to the market price for the Shares on the issue date.</li> </ul> <p>A table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>
<b>Date by which the Company may issue the securities</b>	<p>The period commencing on the date of the annual general meeting and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> <li>▪ the date which is 12 months after the date of the annual general meeting; and</li> <li>▪ the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2 (other than the transaction described in resolution 9).</li> </ul>
<b>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</b>	<p>The Company may issue Shares:</p> <ul style="list-style-type: none"> <li>▪ to raise funds to advance the production of gold, undertake further exploration or progress feasibility studies at the Company's project areas;</li> <li>▪ for 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;</li> <li>▪ to raise funds to provide cash consideration for the acquisition of new assets or investments (including any expense associated with such acquisition); or</li> <li>▪ to raise working capital.</li> </ul>

<b>The Company's allocation policy for issues under the approval</b>	<p>The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue. The identity of allottees of Shares will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p> <ul style="list-style-type: none"> <li>▪ the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing Shareholders can participate;</li> <li>▪ the effect of the issue of the Shares on the control of the Company;</li> <li>▪ the financial situation and solvency of the Company; and</li> <li>▪ advice from corporate, legal, financial and broking advisors (if applicable).</li> </ul> <p>The allottees under the 10% placement facility approved under ASX Listing Rule 7.1A have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p>
<b>Previous approvals obtained under rule 7.1A</b>	<p>The Company obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 28 October 2016.</p> <p>As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, and is now seeking Shareholder approval to renew its capacity to issue an additional 10% of its issued capital under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of securities in the 12 months preceding the date of the meeting.</p> <p>The total number of securities issued preceding the date of the meeting and the percentage they represent of the Company's securities on issue at the commencement of that 12 month period are set out below.</p>
<b>Total number of securities issued in the last 12 months preceding the date of the meeting</b>	<p>241,000,000 Shares.</p>
<b>Percentage that this number represents of the total securities on issue at the commencement of the 12 month period</b>	<p>28.87%.</p>

7.6 For the purposes of ASX Listing Rule 7.3A.6(b) the Company provides the following information:

<b>Date of issue</b>	<p>30 October 2015</p>
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	<p>11,000,000</p>
<b>Issue price per security</b>	<p>\$0.01</p>

<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	The securities were issued to the directors of the Company.
<b>Use of funds raised by the issue</b>	No funds were raised by the Company from the issue of the securities

<b>Date of issue</b>	30 December 2015
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	100,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	The securities were issued to Silver Bright International Development Limited.
<b>Cash consideration</b>	\$1,000,000
<b>Use of funds raised by the issue</b>	Used for part payment for Bendigo Assets

<b>Date of issue</b>	20 May 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	40,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	20,000,000 - Silver Bright International Development Limited. 10,000,000 - Tom and Tania Vlahos as trustees of the Vlahos Superannuation Fund. 10,000,000 - Peter August & Helen August <Superannuation Fund>
<b>Cash consideration</b>	\$200,000
<b>Use of funds raised by the issue</b>	Working capital

<b>Date of issue</b>	4 July 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	80,000,000
<b>Issue price per security</b>	\$0.01

<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	The securities were issued to Silver Bright International Development Limited.
<b>Cash consideration</b>	\$800,000
<b>Use of funds raised by the issue</b>	Working capital

<b>Date of issue</b>	20 July 2016
<b>Number of securities issued without security holder approval under ASX Listing Rule 7.1</b>	10,000,000
<b>Issue price per security</b>	\$0.01
<b>Terms of securities issued</b>	Fully paid ordinary shares.
<b>Persons to whom securities were issued</b>	6,500,000 - Andrew Mounas. 1,000,000 - Zimbia Pty Ltd atf AMR Superannuation Fund 2,500,000 - Aphrodite Islands Pty Ltd atf G&M Georgiou Superannuation Fund
<b>Use of funds raised by the issue</b>	No funds were raised by the Company from the issue of the securities.

- 7.7 Listing Rule 7.3A.2 requires the Company to provide a table demonstrating the potential dilution effect based on three different assumed prices of Shares and three different numbers of Shares on issue in the Company (Variable 'A' in Listing Rule 7.1 and 7.1A). For convenience, we will refer to the latter as Variable 'A'.
- 7.8 The following table shows the dilution of existing Shareholdings on the basis of the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (described above) as at the date of this Notice.
- 7.9 The table also shows:
- (a) two examples where Variable 'A' has increased by 50% and 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (b) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2	Dilution	0.005 50% decrease in issue price	0.01 Issue price	0.02 100% increase in issue price
<b>Current Variable A</b> 1,075,784,944	10% Voting Dilution	107,578,494	107,578,494	107,578,494
	Funds raised	\$537,892	\$1,075,785	\$2,151,569
<b>50% increase in current Variable A</b> 1,613,677,416	10% Voting Dilution	161,367,741	161,367,741	161,367,741
	Funds raised	\$808,189	\$1,613,677	\$3,227,355
<b>100% increase in current Variable A</b> 2,151,569,888	10% Voting Dilution	215,156,989	215,156,989	215,156,989
	Funds raised	\$1,075,785	\$2,151,570	\$4,303,140

7.10 The above table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of Shares available under the 10% placement capacity.
- (b) No options are exercised into Shares before the date of the issue of Shares.
- (c) 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%.
- (d) 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 facility, based on that Shareholder's holding at the date of the meeting.
- (e) The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (f) The issue of Shares under the 10% placement facility consists only of Shares, to the exclusion of all options.
- (g) The issue price is \$0.01, being the volume weighted average price for the Shares calculated over the 15 trading days closing price of the Shares on ASX prior to 16 October 2016.

## 8. Resolutions 6(a) and 6(b) – Issue of securities to Directors

### Background

8.1 The purpose of resolutions 6(a) and 6(b) is for Shareholders to approve the issue of the following securities to the Directors for the purposes of ASX Listing Rule 10.11:

Resolution	Name of Director	Securities to be issued
Resolution 6(a)	Andrew Chan	3,000,000 Shares

Resolution 6(b)	Linda Lau	3,000,000 Shares
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8.2 The securities will be issued for nil consideration. The above named Directors do not currently receive fees for their services as Directors of the Company and are not substantial shareholders in the Company. Accordingly, the Board has resolved, subject to Shareholder approval, to issue securities to those Directors as remuneration, in lieu of a cash payment.

8.3 The value of the securities to be issued (if Shareholder approval is obtained) will be taken into account (based on a deemed issue price of \$0.01 per security) when determining the aggregate amount payable to the Company's non-executive Directors pursuant to clause 10.2 of the Company's constitution (currently \$200,000).

8.4 The Board considers that the securities to be issued represent reasonable remuneration for the services provided by the Directors to the Company.

**Proposed Shareholder approval**

8.5 Listing Rule 10.11 requires approval of Shareholders before securities can be issued to a Director of the Company. If any of resolutions 6(a) and 6(b) are passed, approval for the issue of the relevant securities will not be required for the purposes of ASX Listing Rule 7.1.

8.6 For the purposes of Listing Rule 10.13, the Company provides the following information:

<b>Persons to whom the securities are to be issued</b>	Andrew Chan and Linda Lau.
<b>Maximum number of securities to be issued</b>	6,000,000 Shares. The maximum number of securities to be issued to each Director is set out in the table in paragraph 8.1.
<b>Date by which the securities will be issued</b>	If approved, the securities will be issued within one month of the date of the annual general meeting.
<b>Issue price and terms of issue</b>	The securities will be issued for nil consideration. The securities to be issued are fully paid ordinary shares and will rank equally with the existing Shares on issue.
<b>Intended use of the funds raised</b>	The securities will be issued for nil consideration and, as such, no funds will be raised from the issue.

**Recommendation**

8.7 The Directors (other than Andrew Chan and Linda Lau) recommend that Shareholders vote in favour of this resolution.

**Section 1: Name and address of member**

Full name \_\_\_\_\_

Address \_\_\_\_\_

**Section 2: Appointment of proxy**

I, being a member of the Company and entitled to attend and vote appoint

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

OR

Write here the full name of the person or body corporate you are appointing if this person **is someone other than** the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the general meeting of the Company to be held at:

<b>Location</b>	66 Ham Street, Kangaroo Flat, Victoria Australia 3555
<b>Date</b>	23 November 2016
<b>Time</b>	1:00 pm

and at any adjournment of that meeting.

**Section 3: Voting instructions**

Voting directions to proxy – please mark  to indicate your directions.

- Resolution 1 Adoption of remuneration report
- Resolution 2 Retirement and re-election of Mr John Harrison as a Director
- Resolution 3 Retirement and re-election of Mr Andy Lai as a Director
- Resolution 4 Ratification and approval of previous allotment and issue of securities
- Resolution 5 Additional capacity to issue equity securities
- Resolution 6(a) Approval of the issue of securities to Andrew Chan
- Resolution 6(b) Approval of the issue of securities to Linda Lau

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular item, you are directing your proxy **not** to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Important information in relation to Resolutions 1, 6(a) and 6(b).**

**If you appoint the Chairman as your proxy (or the Chairman becomes your proxy by default), and do not provide voting instructions, you are expressly authorising the Chairman to cast your vote in accordance with his stated intentions, even though Resolutions 1, 6(a) and 6(b) are connected directly or indirectly with the remuneration of a member of the KMP. The Chairman intends to vote all available proxies in favour of all resolutions, including Resolutions 1, 6(a) and 6(b). You can direct the Chairman how to cast your vote (or to abstain from voting) by marking the appropriate boxes above.**

**If you appoint another Director or member of the KMP as your proxy, you must direct your proxy how to vote by marking the appropriate boxes above, otherwise your vote will not be counted.**

**Section 4: Signing by member**

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

**Individual or Member 1**

**Sole Director and Sole Secretary**

**Member 2 (if joint holding)**

**Director/Company Secretary**  
(delete one)

**Member 3 (if joint holding)**

**Director**

Please provide the information below in case we need to contact you.

\_\_\_\_\_ **Contact name**

\_\_\_\_\_ **Contact day time telephone**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
**Date**



# Instructions for completion of proxy form

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## Section 1: Name and address of member

- 1 Insert your name and address. If it is a joint holding, insert details of all holders.

## Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
- 3 If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company. Alternatively you may copy this form.
- 4 To appoint a second proxy:
- (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of shares applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
  - (b) return both forms in the same envelope.

## Section 3: Voting instructions

- 5 You may direct your proxy how to vote on an item of business by placing a mark in one of the three boxes opposite that item of business. All of your Shares will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

## Section 4: Signing by member

- 6 You must sign this form as follows in the spaces provided:

<b>Individual</b>	Where the holding is in one name, the member must sign.
<b>Joint holding</b>	Where the holding is in more than one name, all of the members must sign.
<b>Power of Attorney</b>	To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power of attorney must accompany this document.
<b>Companies</b>	In the following cases, subject to the Company's constitution, the following person must sign: <ul style="list-style-type: none"><li>(a) Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;</li><li>(b) Australian proprietary company with a sole director and no company secretary - that person must sign;</li><li>(c) other Australian companies - two directors, or one director and one company secretary must sign; and</li><li>(d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.</li></ul>

## Corporate Representatives

- 7 If a representative of the corporation is to attend the meeting the appropriate 'Certificate of Appointment of Corporate Representative' should be produced prior to admission in accordance with the Notice. A form of the certificate may be obtained from the Company's registry.

## Section 5: Lodging of proxy

- 8 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than the time and date set out below, by mail, hand delivery or facsimile.

<b>Last time and date for lodgement</b>	1:00 pm (Victorian time) on 21 November 2016*
<b>By delivery</b>	66 Ham Street, Kangaroo Flat, Victoria 3555
<b>By mail</b>	PO Box 2709, Bendigo Mail Centre, Victoria 3554
<b>By facsimile</b>	+61 3 5444 0036

\* Any proxy form received after this time will not be valid.