



Arc Exploration Limited
ACN 002 678 640

Notice of General Meeting and Explanatory Statement

**THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR ATTENTION**

This document does not take into account your individual circumstances. If you are in doubt about how to deal with it, please consult your financial or other professional adviser.

11.00 am
Wednesday, 5 OCTOBER 2016
Level 16, 1 Market Street
Sydney NSW 2000
AUSTRALIA

Notice of General Meeting

NOTICE is given that a General Meeting of the Company will be held at Level 16, 1 Market Street, Sydney NSW 2000, AUSTRALIA at 11.00 am on Wednesday 5 October 2016.

ORDINARY BUSINESS

1. Ratify Previous Issue of Shares – June 2016 Placement

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

That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the issue by the Company of 423,773 fully paid ordinary shares at an issue price of \$0.82 to the parties specified and as set out in Section 1 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved.

2. Approve Proposed Issue of Shares – October 2016 Placement

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

“That for the purpose of Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the proposed issue by the Company of 850,000 fully paid ordinary shares at an issue price of \$0.60 to the parties specified and as set out in Section 2 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved.”

3. Approve Allotment of Shares to a Related Party - Mr. Simon O’Loughlin.

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

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and all other purposes, the Company be authorised to issue to **Mr. Simon O’Loughlin** 50,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.60 on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

4. Approve Allotment of Shares to a Related Party - Mr. Simon Taylor.

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

“That, for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and all other purposes, the Company be authorised to issue to **Mr. Simon Taylor** 50,000 fully paid ordinary shares in the capital of the Company at an issue price of \$0.60 on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

VOTING EXCLUSION STATEMENT:

The company will disregard any votes cast on Resolution 1 by:

- participants in the issue; and
- any of associates of those persons.

The company will disregard any votes cast on Resolution 2 by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- an associate of any of those persons.

The company will disregard any votes cast on Resolution 3 by Mr. Simon O’Loughlin and any of his associates.

The company will disregard any votes cast on Resolution 4 by Mr. Simon Taylor and any of his 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, 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.

Dated at Sydney, on the 2nd day of September 2016



By order of the Board
Andrew J. Cooke
Company Secretary

Proxies

- A shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two proxies to attend and vote instead of the shareholder.
- Where two proxies are appointed:
 - (i) a separate proxy Form, should be used to appoint each proxy;
 - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held e.g. "the Chair of the Meeting".
- In the case of shareholders who are individuals, the Proxy Form must be signed:
 - (i) if the shares are held by one individual, by that shareholder;
 - (ii) if the shares are held in joint names, by any one of them.
- In the case of shareholders who are companies, the Proxy Form must be signed:
 - (i) if it has a sole director who is also sole secretary, by that director (and stating the fact next to, or under the signature on the Proxy Form);
 - (ii) in the case of any other company by either two directors or a director and secretary.The use of the common seal of the company, in addition to those required signatures, is optional.
- If the person signing the Proxy Form is doing so under a power of attorney, or is an officer of a company outside those referred to above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy form, must be received by the Company by the time and at the place specified below.
- A Proxy Form accompanies this notice. To be effective, your proxy must be received by the Company no later than 48 hours before the time for the holding of the meeting:
 - (i) by **facsimile** : on +61 8 9262 3723; or
 - (ii) by **mail** :
Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909 Australia; or
 - (iii) **Lodge your vote Online** : www.advancedshare.com.au using your SRN/HIN which are provided on the front side of your Proxy Form.

The Chairman intends to vote all available proxies in favour of Resolutions 1 -4.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with the *Corporations Act 2001 (Cth)*, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00pm AEDT on 3 October 2016.

EXPLANATORY STATEMENT

Resolution 1 - Previous Issue of Shares – June 2016 Placement

The Company issued 423,773 fully paid ordinary shares on 16 June 2016 at an issue price of \$0.82 per share raising \$347,546.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions).

ASX Listing Rule 7.4 allows an issue of securities to be subsequently approved by shareholders and treated as having been made with approval of shareholders for the purpose of ASX Listing Rule 7.1. The Company is seeking subsequent shareholder approval for the issue of shares under ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued shares, if required, in the next 12 months without the need to obtain shareholder approval. The shares the subject of this resolution have already been allotted and if this resolution is for any reason not passed, the allotment will not be affected. The purpose of the resolution is solely to refresh the Company's capacity to issue up to 15% of its shares under Listing Rule 7.

All of the shares being the subject of this resolution are ordinary fully paid shares which rank equally with all of the Company's existing ordinary fully paid up shares and are quoted on the ASX.

The shares were allotted to Denman Financial Services Pty Ltd, Simon William Tritton <Investment A/C>, Active Office Services Pty Ltd <Badke Services A/C> and Jodet Durak.

Funds raised have been used to investigate the acquisition of further exploration tenements in Australia and ongoing working capital purposes.

Resolution 2 - Proposed Issue of Shares – October 2016 Placement

The Company announced on 19 August 2016 that it had agreed to make a further placement to private investors of 850,000 shares at an issue price of \$0.60 per share to raise \$510,000.

Taylor Collison Limited has been appointed as the Lead Manager for the placement which is subject only to shareholder approval which is the subject of the proposed resolution.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions, including where prior shareholder approval is obtained). If the issue of the securities has the prior approval of the shareholders in accordance with the proposed resolution, the issue will not be included in the 15% limit on the Company to raise funds without shareholder approval.

The Company is seeking shareholder approval under ASX Listing Rule 7.1 for the proposed issue of a maximum of 850,000 ordinary fully paid shares to Tayscrip Nominees Pty Ltd or un-associated sophisticated investors being clients of Taylor Collison Limited. Of the resolution is approved this number of securities is not included in the 15% calculation set out in ASX Listing Rule 7.1.

The shares are expected to be issued shortly after the date of the General Meeting. However, the issue may occur progressively and in any event will all be issued within three months of the date of the General Meeting.

All of the shares being the subject of this resolution are ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares. The Company will apply to the ASX for quotation of the shares to be issued.

The funds will be used to provide the Company with additional working capital and to investigate the acquisition of further exploration opportunities. Any such acquisition would be dependent upon funding at the appropriate time and any necessary approvals.

Resolutions 3 and 4 – Proposed Issue of Shares to Related Parties: Simon O'Loughlin and Simon Taylor

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions).

ASX Listing Rule 10.11 provides that a Company must not issue or agree to issue equity securities to a related party of the Company, such as a person who is a director of the Company, without the Company first obtaining the approval by ordinary resolution of its shareholders.

The Company is seeking the approval of shareholders under ASX Listing Rule 10.11 to allow the Company to issue shares to each of Mr. Simon O'Loughlin and Mr. Simon Taylor. If shareholders approve the issue of the shares under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1 so that the shares would not be taken into account in determining whether a future share issue will result in the 15% cap imposed by Listing Rule 7.1 being exceeded.

As announced on 2 September 2016 it is proposed that the Board will be restructured with the full support of all parties concerned upon completion of the placement which is the subject of Resolution 2 above.

It is proposed that each of Mr. Bruce Watson, Dr. Jeffrey Malaihollo, Mr. John Carille and Mr. Max Ramajaya will resign as directors and that Mr. Simon O'Loughlin, Mr. Simon Taylor and Mr. Andrew Cooke will be appointed as Directors to join Mr. Robert Willcocks on the Board. As a result Mr. Simon O'Loughlin and Mr. Simon Taylor are considered to be related parties of the Company for the purposes of Resolutions 3 and 4.

Mr. O'Loughlin is a Partner of O'Loughlins Lawyers Real Estate and Corporate & Commercial Groups. Simon holds a Law Society (SA) Certificate in Law as well as a Bachelor of Arts (Accounting) from the University of South Australia. He is admitted to the South Australian and New South Wales Supreme Courts and High Court of Australia. Simon was a Partner at O'Loughlin Robertson, and also Minter Ellison Baker O'Loughlin, where he was a member of the Executive Committee and the Finance Partner. He founded O'Loughlins Lawyers in 1993.

Mr. Taylor is a geologist with over 25 years' experience in exploration, project assessment and development in the resources sector. He has had a diversified career as a resources professional providing services to resource companies and financial corporations at both a technical and corporate level. His experience spans a range of commodities including gold, fertilisers (phosphate and potash), base metals, nickel, uranium, coal and coal seam methane. Whilst his experience includes Australia a majority of his projects have been overseas in countries including Brazil, Turkey, Uganda, Tanzania, Mali, China, UK and North America. He is currently Managing Director of Oklo Resources Limited and a non-executive director with Chesser Resources Limited. He is a member of the Australian Institute of Geoscientists and a graduate of Sydney University.

A maximum of 50,000 shares are to be allotted to each of Mr. O'Loughlin and Mr. Taylor. The issue price for the shares to be allotted is \$0.60 being the same price at which the placement to private investors being the subject of Resolution 2 above is priced at.

The shares are expected to be issued shortly after the date of the General Meeting and in any event will be issued within one month of the date of the General Meeting.

All of the shares being the subject of these resolutions are ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares. The Company will apply to the ASX for quotation of the shares to be issued.

Subject to shareholder approval of Resolutions 3 and 4 Mr. O'Loughlin and Mr. Taylor will each subscribe \$30,000 to the Company for 50,000 shares to be issued to each of them. These funds are in addition to the funds to be raised pursuant to Resolution 2 above and will be used to provide the Company with additional working capital and to investigate the acquisition of further exploration opportunities.


Recommendations

The Board recommends that shareholders approve each of Resolution 1 - 4.

Form of Proxy

Please mark ☒ to indicate your directions


STEP 1 Appoint a Proxy to Vote on Your Behalf

 **PLEASE NOTE:** This proxy is solicited on behalf of the management of Arc Exploration Limited ACN 002 678 640 (the "Company") for use at the meeting of the shareholders of the Company to be held at Level 16, 1 Market Street, Sydney NSW 2000, Australia on Friday 5 October 2016 2.00pm (AEDT) or any adjournment thereof (the "Meeting").

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

the Chairman of
the meeting

OR

 **PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following:


Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes.

My total voting right is _____ shares.

 **PLEASE NOTE:** If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business

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

If you wish to indicate how your proxy is to vote, please tick the appropriate places below.

	FOR	AGAINST	ABSTAIN
Resolution 1 - Ratify Previous Issue of Shares – June 2016 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Approve Proposed Issue of Shares – October 2016 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Proposed Issue of Shares to Related Parties - Mr. Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Proposed Issue of Shares to Related Parties - Mr. Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no choice is specified, the shareholder is conferring discretionary authority on the proxy to vote at his or her discretion. However, the Chairman intends to vote FOR each of the resolutions.

SIGN 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

Member 3 (if joint holding)

Director

/ /

Date

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
Facsimile: +61 (0) 8 9262 3723

For Online Vote
www.advancedshare.com.au

For all enquiries call:

Telephone: +61 (0) 8 9389 8033
Email: admin@advancedshare.com.au

Proxy Form

Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. 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.
6. To be effective, proxies must be delivered by shareholders as follows: Shareholders must deliver their proxies prior to 2.00pm (AEDT) on 3 October 2016 by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at +61 (0) 8 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
7. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7.00pm (AEDT) on 3 October 2016 will be entitled to attend and vote at the Meeting.
8. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
9. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
10. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
11. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form ➔



CHECK OUT OUR WEBSITE at
www.advancedshare.com.au

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