



Venus Metals Corporation Limited

ABN 99 123 250 582

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

28 November 2016

Time of Meeting

10.30am (WST)

Place of Meeting

Ground Floor, Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

VENUS METALS CORPORATION LIMITED

ABN 99 123 250 582

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Venus Metals Corporation Limited ABN 99 123 250 582 (Company) will be held at Ground Floor, Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia, 6000 on 28 November 2016 at 10.30am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2016, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 – Non Binding Resolution to adopt Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2016 as set out in the 2016 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 3, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 – Re-election of Mr Terence Hogan as a Director

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

"That, Mr Terence Hogan, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 3 – Grant of Options to T Hogan, M Hogan and P Hogan as trustees for the Hogan Employee Super Fund (the Trustees)

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 1,500,000 Options at an issue price of \$0.001 per Option, with each Option

having an exercise price of \$0.25 and an expiry date of 30 November 2019, to Timothy Hogan, Matthew Hogan and Paul Hogan as trustees for the Hogan Employee Super Fund¹ (Mr Matthew Hogan's nominee) (the **Trustees**), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Note 1: Mr Matthew Hogan (a director of the Company) is one the trustees for the Hogan Employee Super Fund

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 by the Trustees and any Associate of the Trustees. However, the Company need not disregard a vote if:

- (a) 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; and
- (b) the vote 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.

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 3 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 3; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 3. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 3, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 3 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please Note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 3.

4. Resolution 4 – Grant of Options to Mr Terence Hogan

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 500,000 Options at an issue price of \$0.001 per Option, with each Option having an exercise price of \$0.25 and an expiry date of 30 November 2019, to Mr Terence Hogan or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by Mr Terence Hogan and any Associate of Mr Terence Hogan. However, the Company need not disregard a vote if:

- (a) 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; and
- (b) the vote 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.

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 4 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 4, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please Note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 4.

5. Resolution 5 – Grant of Options to Mr Selvakumar Arunachalam

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 1,000,000 Options at an issue price of \$0.001 per Option, with each Option

having an exercise price of \$0.25 and an expiry date of 30 November 2019, to Mr Selvakumar Arunachalam or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by Mr Selvakumar Arunachalam and any Associate of Mr Selvakumar Arunachalam. However, the Company need not disregard a vote if:

- (a) 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; and
- (b) the vote 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.

In accordance with section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an Associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 5, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act. Please Note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 5.

6. Resolution 6 – Ratification of Share Issue

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue made on 26 April 2016 of 4,000,000 Shares (at an issue price of \$0.25 each) to the persons and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue the subject of Resolution 6 and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

7. Resolution 7 – Ratification of Share Issue

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue made on 3 October 2016 of 3,000,000 Shares (at an issue price of \$0.15 each) to the persons and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue the subject of Resolution 7 and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

8. Resolution 8 – Ratification of Share Issue

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue made on 3 October 2016 of 5,000,000 Shares (at an issue price of \$0.15 each) to the persons and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 8 by any person who participated in the issue the subject of Resolution 8 and any Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

9. Resolution 9 – Approval of Additional 10% Placement Capacity

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

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

Voting exclusion statement: The Company will disregard any votes cast on Resolution 9 by any person who may participate in the proposed issue and any 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 Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

9. Resolution 10 – Proposed issue of Broker Options

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 2,400,000 Broker Options for nil cash consideration, with each Option having an exercise price of \$0.30 and an expiry date 3 years from the date of issue, to Zenix Nominees Pty Ltd, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 10 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

Mr Matthew Hogan
Managing Director and Company Secretary

Dated: 4 October 2016

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 3, 4 and 5 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. However, in exceptional circumstances, the Chair of the Meeting may change his voting intention, in which case an ASX announcement will be made. These rules are explained in this Notice.

- To be effective, proxies must be received by 10.30am (WST time) on 26 November 2016. Proxies received after this time will be invalid.

- Proxies may be lodged using any of the following methods:

- By Mail
Security Transfer Registrar Pty Ltd
PO Box 535
Applecross, Western Australia 6953:

- by fax
+61 8 9315 2233;

- by Online
www.securitytransfer.com.au;

or

- by Email
registrar@securitytransfer.com.au;

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.30am (WST time) on 26 November 2016. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (WST time) on 26 November 2016.

VENUS METALS CORPORATION LIMITED

ABN 99 123 250 582

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2016 Annual Report be adopted. The Remuneration Report is set out in the Company's 2016 Annual Report and is also available on the Company's website (www.venusmetals.com.au).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2015 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 19 November 2015. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of

any equity based compensation.

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

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF MR TERENCE HOGAN AS A DIRECTOR

Pursuant to Clause 13.2 of the Company's Constitution, Mr Terence Hogan OAM, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Terence Hogan was appointed as a Non-Executive Director on 18 January 2007 and has therefore held office for 9 years and 9 months as at the date of this Notice of Meeting. Mr Terence Hogan was last re-elected in October 2014.

Mr Terence Hogan was engaged in the stockbroking industry for more than 47 years. He is a former Director of Hogan & Partners Stockbrokers Pty Ltd and past chairman of the former Stock Exchange of Perth Limited.

Mr Terence Hogan is a past chairman and director of various public companies and past chairman of the Perth Diocesan Trustees and Anglican Community Fund Inc. Mr Terence Hogan is not currently a director of any other ASX listed company.

The Board considers Mr Terence Hogan to be an independent director.

The Board (with Mr Terence Hogan abstaining) recommends that shareholders vote in favour of the re-election of Mr Terence Hogan as a Director of the Company.

RESOLUTIONS 3, 4 and 5 – GRANT OF OPTIONS

Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of the Directors is a related party of the Company.

Resolutions 3, 4 and 5 relate to the proposed grant of Options to the Directors or their nominees, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolutions would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, the Options will be issued as set out in the table below.

The proposed financial benefit to be given is the grant of Options at an issue price of \$0.001 per Option to the Directors or their nominees.

The table below also sets out the amounts that will need to be paid to the Company by the Directors or their nominees if the Options are exercised.

Director/nominee	Number of Options	Amount to be paid (A\$) on exercise of the Options
Timothy Hogan, Matthew Hogan and Paul Hogan as trustees for the Hogan Employee Super Fund (<i>Mr Matthew Hogan's nominee</i>)) (the Trustees)	1,500,000 (750,000 vest on 31/12/16 and 750,000 vest on 31/12/17)	375,000
Mr Terence Hogan, or his nominee(s)	500,000 (250,000 vest on 31/12/16 and 250,000 vest on 31/12/17)	125,000
Mr Selvakumar Arunachalam, or his nominee(s)	1,000,000 (500,000 vest on 31/12/16 and 500,000 vest on 31/12/17)	250,000
Total	3,000,000	750,000

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Options to the Trustees (Mr Matthew Hogan's nominee) and Mr Selvakumar Arunachalam, encourages Messrs Matthew Hogan and Selvakumar Arunachalam, both executive directors, to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider that the incentives represented by the grant of these Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The grant of Options to Mr Terence Hogan, the Company's Non-executive Chairman, is designed to retain suitably qualified non-executive directors, and the Directors consider the grant of Options represents a cost effective way for the Company to remunerate Mr Terence Hogan, as opposed to additional cash remuneration.

The number of Options to be granted pursuant to Resolutions 3, 4 and 5 has been determined based upon a consideration of:

- (a) the remuneration of the Directors;
- (b) the extensive experience and reputation of the Directors within the business community and exploration industry;
- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice;
- (d) attracting and retaining suitably qualified non-executive directors; and
- (e) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Directors Current Holdings

Set out below are details of each of the Directors' relevant interest in Shares and options of the Company as at the date of this Notice:

Director	Number of Shares		Number of Options	
	Direct	Indirect	Direct	Indirect
Terence Hogan	1,203,814	8,654,688 ¹	-	3,171,250 ²
Matthew Hogan	-	390,543 ³	500,000 ⁴	-
Selvakumar Arunachalam	-	175,000 ⁵	-	-

Notes:

- 1 8,617,188 Shares are held by Traolach Investments Pty Ltd, a company of which Mr Terence Hogan is a director. 37,500 Shares are held by Rene Investments Pty Ltd <Terry Hogan Retirement Account>, a company of which Mr Terence Hogan is a director.
- 2 2,852,500 listed options, exercisable at \$0.20 each, with an expiry date of 30 November 2016 are held by Traolach Investments Pty Ltd, a company of which Mr Terence Hogan is a director. 18,750 listed options, exercisable at \$0.20 each, with an expiry date of 30 November 2016 are held by Rene Investments Pty Ltd <Terry Hogan Retirement Account> a company of which Mr Terence Hogan is a director. 300,000 unlisted options, exercisable at \$0.20 each, with an expiry date of 30 November 2016 are held by Rene Investments Pty Ltd <Terry Hogan Account> a company of which Mr Terence Hogan is a director.
- 3 22,500 Shares are held by Matthew Hogan as trustee for Zoe Louise Hogan. 75,000 Shares are held by Matthew Hogan as trustee for Jackson Phoenix Hogan. 180,000 Shares are held by Timothy Hogan, Matthew Hogan and Paul Hogan as trustees for the Hogan Employee Super Fund. 113,043 Shares are held by Seaward Holdings Pty Ltd, a company of which Mr Matthew Hogan is the sole director.
- 4 Unlisted options, exercisable at \$0.20 each, with an expiry date of 30 November 2016.
- 5 Shares held indirectly by Sivagami Selvakumar, Mr Selvakumar Arunachalam's spouse.

Dilution effect of grant of Options on existing members' interests

If passed, Resolutions 3, 4 and 5 will give the Directors power to grant a total of 1,300,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 69,636,623 listed Shares, 31,521,561 listed options (exercisable at \$0.20 each, with an expiry date of 30 November 2016) and the following unlisted options on issue:

Number	Exercise Price	Vested/Vesting Date	Expiry Date
62,500	\$0.20	Vested	30 November 2016
62,500	\$0.20	Vested	30 November 2016
200,000	\$0.20	Vested	30 November 2016
650,000	\$0.20	Vested	30 November 2016
650,000	\$0.20	Vested	30 November 2016
300,000	\$0.30	Vested	30 November 2016
600,000	\$0.60	Vested	30 November 2016

If all Options granted as proposed above are exercised, and assuming all existing options on issue have not been exercised (noting that the existing options on issue are out of the money and lapse on 30 November 2016), the effect would be to dilute the shareholding of existing Shareholders by 1.83%. The market price of the Company's Shares during the period of the Options will normally determine whether or not the Directors exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.

Directors' total remuneration package

The Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period, as a result of the grant of the Options the subject of Resolutions 3, 4 and 5, are as follows:

Director	Fees p.a. (A\$)	Value of Options (A\$)	Total Financial Benefit (A\$)
Mr Matthew Hogan	258,387	47,980	306,327
Mr Terence Hogan	38,275	15,980	54,255
Mr Selvakumar Arunachalam	131,660	31,960	163,620

The indicative option valuation of A\$0.03196 (after a discount of 20%) is a theoretical valuation of each Option using the Black and Scholes Model.

Valuation of Options

The Company's advisers have valued the Options to be granted to the Directors using the Black and Scholes Model. The Options were valued by the Company's advisers on 27 September 2016. The value of an Option calculated by the Black and Scholes Model is a function of a number of variables. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.15
Exercise price	\$0.25
Risk Free Interest Rate	1.61%
Volatility	60%
Time (years to expiry)	3.03

The Company's advisers have calculated the value of each Option based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.15 on 28 September 2016;
- (b) on risk free rate of return – 1.61% (estimated, based on the Reserve Bank of Australia 3 year bond rate);
- (c) they used a volatility of the Share price of 60% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading; and
- (d) after applying a lack of marketability discount of 20% as the Options are not listed and are not transferable.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 30 September 2016:

Highest Price (A\$) / Date	Lowest Price (A\$) / Date	Latest Price (A\$) / Date
\$0.31 / 19 April 2016	\$0.12 / 14 January 2016	\$0.20 / 3 October 2016

Other Information

Under the Australian Equivalent of the International Financial Reporting Standards (IFRS), the Company is required to expense the value of the Options in its statement of financial performance for the current financial year.

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation

consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolutions 3, 4 and 5.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 3, 4 and 5.

Directors' recommendation

All the Directors were available to make a recommendation.

Mr Matthew Hogan declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to Timothy Hogan, Matthew Hogan and Paul Hogan as trustees for the Hogan Employee Super Fund. Mr Terence Hogan and Mr Selvakumar Arunachalam also decline to make a recommendation about Resolution 3. ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other's remuneration as there may be a conflict of interest. Whilst Mr Terence Hogan and Mr Selvakumar Arunachalam do not have a material personal interest in the outcome of Resolution 3, given it is proposed that they also be issued with Options under Resolutions 4 and 5 respectively, they have declined to make a recommendation about Resolution 3 in line with the ASIC guidance.

Mr Terence Hogan declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him individually (or his nominee(s)). Mr Matthew Hogan and Mr Selvakumar Arunachalam also decline to make a recommendation about Resolution 4. Whilst Mr Matthew Hogan and Mr Selvakumar Arunachalam do not have a material personal interest in the outcome of Resolution 4, given it is proposed that they also be issued with Options under Resolutions 3 and 5 respectively, they have declined to make a recommendation about Resolution 4 in line with the ASIC guidance outlined above.

Mr Selvakumar Arunachalam declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him individually (or his nominee(s)). Mr Matthew Hogan and Mr Terence Hogan also decline to make a recommendation about Resolution 5. Whilst Mr Matthew Hogan and Mr Terence Hogan do not have a material personal interest in the outcome of Resolution 5, given it is proposed that they also be issued with Options under Resolutions 3 and 4 respectively, they have declined to make a recommendation about Resolution 5 in line with the ASIC guidance outlined above.

Information Requirements - Listing Rules 10.11 and 10.13

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Options to the Directors.

The following information in relation to the Options to be granted pursuant to Resolutions 3, 4 and 5 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Options will be issued to Timothy Hogan, Matthew Hogan and Paul Hogan as trustees for the Hogan Employee Super Fund, Mr Terence Hogan (or his nominee) and Mr Selvakumar Arunachalam (or his nominee) as noted above;
- (b) the maximum number of Options to be issued is 1,300,000;
- (c) the Options will be issued on a date which will be no later than 1 month after the date of this Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (d) the Options will be issued at a price of \$0.001 per Option;
- (e) the funds raised by the issue of the Options will be used for general working capital purposes; and
- (f) the terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolutions 3, 4 and 5 in the terms set out in the Notice of Meeting.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

RESOLUTION 6 – RATIFICATION OF SHARE ISSUE PLACEMENT

As announced on 19 April 2016, the Company undertook a private placement of 4,000,000 Shares at an issue price of \$0.25 per Share to professional and sophisticated investors who were exempt from disclosure under the Corporations Act. The Shares were issued on 26 April 2016. The placement raised \$1,000,000 before costs, which are being used for:

- exploration at various lithium projects
- exploration at Curara Well, Youanmi and Sandstone projects; and
- general working capital purposes.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 6 seeks ratification under Listing Rule 7.4 of the issue of 4,000,000 Shares on 26 April 2016 in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 4,000,000 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.25 each;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to unrelated parties of the Company who were professional and sophisticated investors; and
- (e) funds raised from the issue are being used for:
 - exploration at various lithium projects
 - exploration at Curara Well, Youanmi and Sandstone projects; and
 - general working capital purposes.

RESOLUTIONS 7 and 8 – RATIFICATION OF SHARE ISSUE PLACEMENT

As announced on 23 September 2016, the Company undertook a private placement of 8,000,000 Shares at an issue price of \$0.15 per Share to professional and sophisticated investors who were exempt from disclosure under the Corporations Act. The Shares were issued on 3 October 2016. 3,000,000 Shares were issued under Listing Rule 7.1 and 5,000,000 Shares were issued under Listing Rule 7.1A. The placement raised \$1,200,000 before costs, which will be used for:

- RC Drilling of defined geophysical/geochemical intrusive pipe targets at the Curara Well Copper-Gold-Diamond Project in Western Australia;
- RC/RAB Drilling of defined structural and geochemical targets at the Poona Lithium Tantalum Project in the Murchison, Western Australia;
- RC Drilling of defined geophysical (strong off-hole conductor) targets at the Manindi (Inky) South Copper-Zinc (Youanmi) Prospect in Western Australia;
- RAB Drilling of defined EM targets at the Sandstone Gold Project in Western Australia;
- IP Survey to establish orientation of high-grade lodes within the established mineralised envelope at the Pincher Well Zinc-Copper (Youanmi) Prospect; and
- working capital purposes.

Information in relation to Resolution 7

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 7 seeks ratification under Listing Rule 7.4 of the issue of 3,000,000 Shares that was made on 3 October 2016 in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 3,000,000 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.15 each;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to unrelated parties of the Company who were professional and sophisticated investors; and
- (e) funds raised from the issue will be used for:
 - RC Drilling of defined geophysical/geochemical intrusive pipe targets at the Curara Well Copper-Gold-Diamond Project in Western Australia;
 - RC/RAB Drilling of defined structural and geochemical targets at the Poona Lithium Tantalum Project in the Murchison, Western Australia;
 - RC Drilling of defined geophysical (strong off-hole conductor) targets at the Manindi (Inky) South Copper-Zinc (Youanmi) Prospect in Western Australia;
 - RAB Drilling of defined EM targets at the Sandstone Gold Project in Western Australia;
 - IP Survey to establish orientation of high-grade lodes within the established mineralised envelope at the Pincher Well Zinc-Copper (Youanmi) Prospect; and
 - working capital purposes.

Information in relation to Resolution 8

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 10% of the issued capital of the Company without requiring Shareholder approval.

Resolution 8 seeks ratification under Listing Rule 7.4 of the issue of 5,000,000 Shares that was made on 3 October 2016 in order to restore the ability of the Company to issue further Shares within the 10% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (f) 3,000,000 Shares were issued;
- (g) the Shares were issued at an issue price of \$0.15 each;
- (h) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (i) the Shares were issued to unrelated parties of the Company who were professional and sophisticated investors; and
- (j) funds raised from the issue will be used for:
 - RC Drilling of defined geophysical/geochemical intrusive pipe targets at the Curara Well Copper-Gold-Diamond Project in Western Australia;
 - RC/RAB Drilling of defined structural and geochemical targets at the Poona Lithium Tantalum Project in the Murchison, Western Australia;
 - RC Drilling of defined geophysical (strong off-hole conductor) targets at the Manindi (Inky) South Copper-Zinc (Youanmi) Prospect in Western Australia;
 - RAB Drilling of defined EM targets at the Sandstone Gold Project in Western Australia;
 - IP Survey to establish orientation of high-grade lodes within the established mineralised envelope at the Pincher Well Zinc-Copper (Youanmi) Prospect; and

working capital purposes.

RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of approximately \$13.9 million as at 3 October 2016 and is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 9 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital.

Listing Rule 7.1A

The effect of Resolution 9 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares, listed options and unlisted options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 69,636,623 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 9, 6,963,662 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities, that formula is:

$(A \times D) - E$

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

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 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 Shares under the entity's 15% placement capacity without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

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

D is 10%

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

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.10 Issue Price at half the current market price	\$0.20 Issue Price at current market price	\$0.40 Issue Price at double the current market price
Current Variable 'A' 69,636,623 Shares	Shares issued	6,963,662	6,963,662	6,963,662
	Funds raised	\$696,366	\$1,392,732	\$2,785,464
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 104,454,934 Shares	Shares issued	10,445,493	10,445,493	10,445,493
	Funds raised	\$1,044,549	\$2,089,098	\$4,178,197
	Dilution	10%	10%	10%
100% increase in current variable 'A' 139,273,246 Shares	Shares issued	13,927,324	13,927,324	13,927,324
	Funds raised	\$1,392,732	\$2,785,464	\$5,570,929
	Dilution	10%	10%	10%

Note: This table assumes:

- No options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed options, for the purposes of the above table, it is assumed that those listed options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and

- (ii) the Equity Securities may be issued:
 - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities;
 - (B) as consideration (or part thereof) for the acquisition of a new asset or in consideration of services provided to the Company,

both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
 - (c) The table above shows the dilution of existing Shareholders upon the issue of the **maximum** number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.
- The table shows:
- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
 - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 3 October 2016, being \$0.20, (current market price), where the issue price is halved, and where it is doubled; and
 - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
 - (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
 - (e) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) If Equity Securities are issued for cash consideration, the Company intends to use the funds for: advancing all exploration projects held by the Company at that time, general working capital requirements and the costs of the issue; and
 - (ii) If Equity Securities are issued for non-cash consideration, for assets, investments or in consideration of services provided to the Company. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.
 - (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
 - (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
 - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iii) the financial situation and solvency of the Company; and

- (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 19 November 2015. In the 12 months preceding the date of the Meeting, the Company has issued 12,769,500 Equity Securities which represents 22.4% of the total number of Equity Securities on issue at the commencement of that 12 month period. The following information is provided in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting:

Number & Type of Equity Securities	Issue Price	Persons to whom Equity Securities were issued	% Premium/ (discount) to market price at time of issue	Details
459,500 Shares issued on exercise of listed options	Exercise price of listed options was \$0.20	Holders of listed options	Exercise price of Options of \$0.20 was a nil% discount to the closing price of \$0.20 on 29 January 2016, being the date the Shares were issued	Issued pursuant to the conversion of listed options. \$91,900 was raised and has been applied to working capital.
200,000 Shares issued on exercise of listed options	Exercise price of listed options was \$0.20	Holders of listed options	Exercise price of Options of \$0.20 was a 25.9% discount to the closing price of \$0.27 on 12 April 2016, being the date the Shares were issued	Issued pursuant to the conversion of listed options. \$40,000 was raised and has been applied to working capital.
4,000,000 Shares	\$0.25 per fully paid ordinary shares	Exempt offerees, all of whom were unrelated parties of the Company	7.4% discount to the closing price of \$0.27 on 26 April 2016, being the date the Shares were issued	Issued via a private placement to raise funds to conduct: (i) exploration at various Lithium Projects; (ii) exploration at Curara Well, Youanmi and Sandstone Projects; and (iii) general working capital purposes. \$1,000,000 was raised and applied as noted above. As at the date of this Notice of Meeting, \$250,000 of the amount raised has not been spent. \$50,000 of the amount remaining will be applied by the Company as a joint founding partner with Lithium Australia NL, to studies to advance and promote Port Hedland, Pilgangoora and Western Australia (as referred to in the announcement of 26 April 2016) and the balance of \$200,000 will be applied to working capital.
100,000 Shares issued on exercise of listed options	Exercise price of listed options was \$0.20	Holders of listed options	Exercise price of Options of \$0.20 was a 11.1% premium to the closing price of \$0.225 on 4 May 2016, being the date the Shares were issued	Issued pursuant to the conversion of listed options. \$20,000 was raised and has been applied to working capital.
10,000 Shares	Exercise price of	Holders of listed options	Exercise price of Options of \$0.20 was a	Issued pursuant to the conversion of listed options.

Number & Type of Equity Securities	Issue Price	Persons to whom Equity Securities were issued	% Premium/ (discount) to market price at time of issue	Details
issued on exercise of listed options	listed options was \$0.20		17.6% premium to the closing price of \$0.17 on 11 July 2016, being the date the Shares were issued	\$2,000 was raised and has been applied to working capital.
8,000,000 Shares	\$0.15 per fully paid ordinary shares	Exempt offerees, all of whom were unrelated parties of the Company	25% discount to the closing price on 3 October 2016, being the date the Shares were issued	<p>Issued via a private placement to raise funds to conduct: (i) RC Drilling of defined geophysical/geochemical intrusive pipe targets at the Curara Well Copper-Gold-Diamond Project in Western Australia; (ii) RC/RAB Drilling of defined structural and geochemical targets at the Poona Lithium Tantalum Project in the Murchison, Western Australia; (iii) RC Drilling of defined geophysical (strong off-hole conductor) targets at the Manindi (Inky) South Copper-Zinc (Youanmi) Prospect in Western Australia; (iv) RAB Drilling of defined EM targets at the Sandstone Gold Project in Western Australia; (v) IP Survey to establish orientation of high-grade lodes within the established mineralised envelope at the Pincher Well Zinc-Copper (Youanmi) Prospect; and working capital purposes.</p> <p>\$1,200,000 was raised (before costs) and will be applied as above. None of the funds have been expended as at the date of this Notice of Meeting.</p>

- (g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity, other than noting the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

RESOLUTION 9 – PROPOSED ISSUE OF BROKER OPTIONS

As noted in the explanatory wording to Resolutions 7 and 8, the Company recent conducted a private placement. The broker to the placement was Hartleys Limited. In consideration for these services, the Company:

- (a) has paid Hartleys Limited \$72,000, being 6% of the funds raised under the private placement; and
- (b) subject to the receipt of Shareholder approval, will issue the Broker Options the subject of this resolution.

Each Broker Options has an exercise price of \$0.30 and an expiry date 3 years from the date of issue. The Broker Options will be issued to Zenix Nominees Pty Ltd (a subsidiary of Hartleys Limited). The full terms and conditions of the Broker Options is set out in Annexure B.

As noted above, Listing Rule 7.1 requires Shareholder approval for the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the Company will issue 2,400,000 Broker Options;
- (b) the Company will issue the Broker Options no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Broker Options will be issued for no cash consideration;
- (d) the Broker Options will be issued to Zenix Nominees Pty Ltd;
- (e) the terms and conditions of the Broker Options are set out in Annexure B;
- (f) no funds will be raised from the issue of the Broker Options. Any funds raised from the exercise of the Broker Options will be used for working capital purposes; and
- (g) the Broker Options will be issued on one date.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out on page 14.

Additional Placement Period has the meaning set out on page 16.

Annual Report means the annual report of the Company for the year ended 30 June 2016.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is “the designated body” for the purposes of that section. A related party of a director or officer of the Company or of a child entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company’s auditor from time to time (if any).

Auditor’s Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2016.

Board means the Directors.

Broker Option means an option, with an exercise price of \$0.30 and an expiry date of 3 years from the date of issue and otherwise on the terms and conditions set out in Annexure B.

Chair or Chair means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the same meaning as in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Venus Metals Corporation Limited ABN 123 250 582.

Constitution means the Company’s constitution, as amended from time to time.

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

Directors means the directors of the Company.

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

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Option means an option with an exercise price of \$0.25 and an expiry date of 30 November 2019 and otherwise on the terms and conditions set out in Annexure A.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2016.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 6.

Spill Resolution the meaning set out on page 6.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means western standard time as recognised in Perth, Western Australia.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO DIRECTORS OR THEIR NOMINEE

- (a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$0.25.
- (b) The Options will lapse at 5.00pm, Western Standard Time on 30 November 2019 (**Expiry Date**).
- (c) 50% of the Options granted to the Optionholder will vest and become exercisable on 31 December 2016 and 50% of the Options granted to the Optionholder will vest and become exercisable on 31 December 2017. However, if in the opinion of the Board a Change of Control has occurred, or is likely to occur all unvested Options which have not expired immediately vest. For the purposes of this clause (c), a Change of Control means:
 - in the case of a takeover bid (as defined in section 9 of the Corporations Act), an offer or a person who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;
 - a Court approves under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - any person becomes bound or entitled to acquire shares in the Company under: (a) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); (b) Chapter 6A of the Corporations Act (compulsory acquisition of securities); or (c) a selective capital reduction is approved by shareholders of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or
 - in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors holding office immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (d) The Options are not transferable.
- (e) The Options will not be quoted on ASX.
- (f) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (g) Optionholders have the right to exercise their vested Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 6 business days before books closing date to exercise the vested Options.
- (h) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (i) Vested Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by the Optionholder.
- (j) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (k) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (l) There is no right to change the exercise price of Options nor the number of underlying fully paid ordinary shares over which the Options can be exercised, if the Company completes any bonus or pro rata issue.

ANNEXURE B - TERMS AND CONDITIONS OF BROKER OPTIONS

- (a) Each Broker Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$0.30.
- (b) The Broker Options will lapse at 5.00pm, Western Standard Time on the date that is three years from the date of issue (**Expiry Date**).
- (c) The Broker Options are not transferable.
- (d) The Broker Options will not be quoted on ASX.
- (e) There are no participating rights or entitlements inherent in these Broker Options and holders of the Broker Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Broker Option.
- (f) Broker Optionholders have the right to exercise their Broker Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Broker Options, and will be granted a period of at least 6 business days before books closing date to exercise the Broker Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Broker Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) The Broker Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the Broker Optionholder to exercise all or a specified number of Broker Options held by them accompanied by a Broker Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Broker Options shall not affect the rights of the Broker Optionholder to the balance of the Broker Options held by the Broker Optionholder.
- (i) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Broker Options.
- (j) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (k) There is no right to change the exercise price of Broker Options nor the number of underlying fully paid ordinary shares over which the Broker Options can be exercised, if the Company completes any bonus or pro rata issue.

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«EFT_REFERENCE_NUMBER»

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VENUS METALS CORPORATION LIMITED

ACN: 123 250 582

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

REGISTERED OFFICE:

MEZZANINE LEVEL
BGC CENTRE
28 THE ESPLANADE
PERTH WA 6000

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Exchange Tower, Level 9, Suite 913
530 Little Collins Street
MELBOURNE VIC 3000 AUSTRALIA
T: +61 3 9628 2200 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

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Code:

VMC

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chair 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 (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am WST on Monday 28 November 2016 at Ground Floor, Conference Room, BGC Centre, 28 The Esplanade, Perth, Western Australia 6000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Terence Hogan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Grant of Options to T Hogan, M Hogan and P Hogan as trustees for the Hogan Employee Super Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Grant of Options to Mr Terence Hogan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grant of Options to Mr Selvakumar Arunachalam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Proposed issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Important for Resolutions 1, 3, 4 and 5 - If the Chair of the Meeting is your proxy or is appointed as your proxy by default: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to vote in accordance with the Chair's voting intentions on Resolutions 1, 3, 4 and 5 (except where I/we have indicated a different voting intention) even though Resolutions 1, 3, 4 and 5 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chair of the Meeting.

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

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * 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.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:30am WST on Saturday 26 November 2016.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Postal Address	PO BOX 52 Collins Street West VIC 8007 AUSTRALIA
Street Address	Exchange Tower, Level 9, Suite 913 530 Little Collins Street MELBOURNE VIC 3000 AUSTRALIA
Telephone	+61 3 9628 2200
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.