

25 October 2016

**NOTICE OF ANNUAL GENERAL MEETING/PROXY FORM**

**Mount Ridley Mines Ltd** (ASX: MRD) (or “the **Company**”) advises that the attached Notice of Annual General Meeting and Proxy Form has been despatched to shareholders, today 25 October 2016.

For and on behalf of the board



Mr Keith Bowker

**Director/Company Secretary**

**MOUNT RIDLEY MINES LIMITED  
ACN 092 304 964**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY MEMORANDUM**

Date of Meeting  
28 November 2016

Time of Meeting  
10.00 am (WST)

Place of Meeting  
Somerville Advisory Group  
Suite 4, 56 Kings Park Road, West Perth, Western Australia 6005

A Proxy Form is enclosed

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

**IMPORTANT INFORMATION**

*This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact  
Mr Keith Bowker on telephone (+61 8) 9481 0544.*

The Annual Report is available online at [www.asx.com.au](http://www.asx.com.au) (ASX Code: MRD)

**MOUNT RIDLEY MINES LIMITED**  
**ACN 092 304 964**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Shareholders of Mount Ridley Mines Limited will be held at Somerville Advisory Group, Suite 4, 56 Kings Park Road, West Perth, Western Australia 6005 at 10.00 am (WST) on 28 November 2016 for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

**AGENDA**

**ORDINARY BUSINESS**

**FINANCIAL & OTHER REPORTS**

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

**RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT**

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

*“That the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2016 be adopted.”*

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting exclusion:** 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 1, 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.

**RESOLUTION 2 – ELECTION OF MR MICHAEL PEDLEY**

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

*“That Mr Michael Pedley, having retired in accordance with clause 13.4 of the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company with immediate effect.”*

### RESOLUTION 3 – ELECTION OF MR KEITH BOWKER

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

*“That Mr Keith Bowker, having retired in accordance with clause 13.4 of the Company’s Constitution and, being eligible, offers himself for election, be elected as a Director of the Company with immediate effect.”*

### RESOLUTION 4 – RE-ELECTION OF GUY LE PAGE

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

*“That, Mr Guy Le Page, who retires in accordance with clause 13.2 of the Company’s Constitution and, being eligible for re-election, be re-elected as a Director of the Company with immediate effect.”*

### RESOLUTION 5 – APPROVAL FOR THE ISSUE OF UNDERWRITING OPTIONS

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

*“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 104,469,366 unlisted options to Barclay Wells Ltd or its nominee having an exercise price of \$0.03 and an expiry date of 30 June 2019, on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum).”*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 5 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.

### RESOLUTION 6 - APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

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

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

**Voting exclusion:** The Company will disregard any votes cast on Resolution 6 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.

## RESOLUTION 7 – GRANT OF DIRECTOR OPTIONS TO MR ASHLEY HOOD

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

*"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 10,000,000 Director Options for no consideration, with each Directors Option having an exercise price of \$0.015 and an expiry date of 3 years from the date of issue, to Mr Ashley Hood or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 7 by Mr Ashley Hood or his nominee and any Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, the Company will disregard any votes cast on this Resolution 7 (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 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; 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 7. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 7, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 7 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 7.

## RESOLUTION 8 – GRANT OF DIRECTOR OPTIONS TO MR MICHAEL PEDLEY

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

*"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 5,000,000 Director Options for no consideration, with each Directors Option having an exercise price of \$0.015 and an expiry date of 3 years from the date of issue, to Mr Michael Pedley or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 8 by Mr Michael Pedley or his nominee and any Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, the Company will disregard any votes cast on this Resolution 8 (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 8 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 8; 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 8. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 8, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 8 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 8.

## **RESOLUTION 9 – GRANT OF DIRECTOR OPTIONS TO MR GUY LE PAGE**

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

*"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 5,000,000 Director Options for no consideration, with each Directors Option having an exercise price of \$0.015 and an expiry date of 3 years from the date of issue, to Mr Guy Le Page or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 9 by Mr Guy Le Page or his nominee and any Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, the Company will disregard any votes cast on this Resolution 9 (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 9 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 9; 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 9. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 9, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 9 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 9.

## RESOLUTION 10 – GRANT OF DIRECTOR OPTIONS TO MR KEITH BOWKER

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

*"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Directors are authorised to issue up to 2,500,000 Director Options for no consideration, with each Directors Option having an exercise price of \$0.015 and an expiry date of 3 years from the date of issue, to Mr Keith Bowker or his nominee, on the terms and conditions set out in the Explanatory Memorandum (including Annexure B to the Explanatory Memorandum)."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 10 by Mr Keith Bowker or his nominee and any Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, the Company will disregard any votes cast on this Resolution 10 (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 10 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 10; 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 10. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 10, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against Resolution 10 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 10.

## RESOLUTION 11 – RATIFICATION OF ISSUE OF SHARES

To consider, and if thought fit, to pass with or without amendment, 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 of 158,763,031 Shares (at an issue price of \$0.005 each) on 18 October 2016 to sophisticated investors on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 11 by any person who participated in the issue the subject of Resolution 11 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.

## RESOLUTION 12 – APPROVAL TO ISSUE PLACEMENT OPTIONS

To consider, and if thought fit, to pass with or without amendment, 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 79,381,515 free attaching Placement Options (each Placement Option having an exercise price of \$0.0125 and an expiry date of 31 August 2019) to sophisticated investors on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on Resolution 12 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

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

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**DATED THIS 14<sup>th</sup> DAY OF OCTOBER 2016**

**BY ORDER OF THE BOARD**



**KEITH BOWKER  
COMPANY SECRETARY**

### Notes:

### Definitions

Terms which are used in this Notice and which are defined in Section 8 of the Explanatory Memorandum have the meanings ascribed to them therein.

### Note

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.



## 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, 6, 7, 8 and 9 in accordance with a direction on how the proxy is to vote or, 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 10.00am (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 returning a completed Proxy Form in person or by post to **PO Box A2020, South Sydney, NSW, 1235**; or
  - by faxing a completed Proxy Form to **(+61 8) 9315 2333**.

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 10.00 am (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.

**MOUNT RIDLEY MINES LIMITED**  
**ACN 092 304 964**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of Mount Ridley Mines Limited to be held at Somerville Advisory Group, Suite 4, 56 Kings Park Road, West Perth, Western Australia 6005 at 10.00 am (WST) on 28 November 2016. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 8.

## **1. FINANCIAL AND OTHER REPORTS**

As required by section 317 of the Corporations Act, the Annual Report for the year ended 30 June 2016 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the reports at the Annual General Meeting.

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.

## **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Directors, and Key Management Personnel.

The Remuneration Report, which is part of the 2016 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2016 Annual Report are available by contacting the Company's Share Registry or visiting the following web site ([www.asx.com.au](http://www.asx.com.au)) (ASX Code: MRD).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution 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 14 October 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.

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.

### **3. RESOLUTION 2 - ELECTION OF MR MICHAEL PEDLEY AS A DIRECTOR**

Resolution 2 deals with the election of Mr Michael Pedley who was appointed as a casual vacancy to the Board on 5 November 2015. In accordance with clause 13.4 of the Constitution, Mr Pedley holds office only until the next general meeting of Shareholders. Accordingly, Mr Pedley retires in accordance with clause 13.4 of the Company's Constitution, and being eligible, has offered himself for election.

Mr Pedley is a Chartered Accountant of Australia and New Zealand with over 20 years of public practice experience. Mr Pedley is the Managing Director of Odyssey Tax & Accounting which provides a broad range of accounting and tax services to business clients and individuals. Mr Pedley has significant accounting, corporate and business management experience and is a consultant to several listed and non-listed companies.

Mr Pedley was appointed as the Non-Executive Chairman of the Company on 31 August 2016. Mr Pedley is not currently a director of any other ASX listed entity.

The Board considers Mr Pedley to be an independent director.

All the Directors except for Mr Pedley recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote all available proxies in favour of Resolution 2.

### **4. RESOLUTION 3 - ELECTION OF MR KEITH BOWKER AS A DIRECTOR**

Resolution 3 deals with the election of Mr Keith Bowker who was appointed as a casual vacancy to the Board on 5 November 2015. In accordance with clause 13.4 of the Constitution, Mr Bowker holds office only until the next General Meeting of Shareholders. Accordingly, Mr Bowker retires in accordance with clause 13.4 of the Company's Constitution and Listing Rule 14.4, and being eligible, has offered himself for election.

Mr Bowker is a Chartered Accountant of Australia and New Zealand and is a founding director of Somerville Advisory Group, a firm which specialises in providing financial reporting, compliance, corporate advisory services and company secretarial services to ASX listed companies.

Mr Bowker currently is a director of Caeneus Minerals Ltd.

The Board does not consider Mr Bowker to be an independent director as a result of his consultancy relationship with the Company.

All the Directors except for Mr Bowker recommend that Shareholders vote in favour of Resolution 3.

The Chairman intends to vote all available proxies in favour of Resolution 3.

### **5. RESOLUTION 4 – RE-ELECTION OF MR GUY LE PAGE**

Pursuant to clause 13.2 of the Company's Constitution, Mr Guy Le Page, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Le Page is currently a Director & Corporate Adviser of RM Corporate Finance specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles.

Mr Le Page was Head of Research at Morgan Stockbroking Limited (Perth) prior to joining Tolhurst Noall as a Corporate Advisor in July of 1998. As Head of Research, Mr Le Page was responsible for the supervision of all Industrial and Resources Research. As a Resources Analyst, Mr Le Page published detailed research on various mineral exploration and mining companies listed on the Australian Securities Exchange. The majority of this research involved valuations of both exploration and production assets.

Prior to entering the stockbroking industry, he spent 10 years as an exploration and mining geologist in Australia, Canada and the United States. His experience spans gold and base metal exploration and mining geology, and he has acted as a consultant to private and public companies. This professional experience included the production of both technical and valuation reports for resource companies.

Mr Le Page holds a Bachelor of Arts, a Bachelor of Science and a Masters' Degree in Business Administration from the University of Adelaide, a Bachelor of Applied Science (Hons) from the Curtin University of Technology and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

Mr. Le Page is currently a director of:

- Tasman Resources Limited (since 2/06/2001)
- Soil Sub Technologies Ltd (since 7/01/2010)
- Eden Energy Ltd (since 3/02/2006)
- Conico Limited (since 30/03/2006)

The Board does not consider Mr Le Page to be an independent director as a result of his significant shareholding in the Company.

All the Directors except for Mr Le Page recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to vote all available proxies in favour of Resolution 4.

## **6. RESOLUTION 5 - ISSUE OF UNDERWRITING OPTIONS**

### **6.1 Background**

On 29 June 2016, the Company announced that it had executed an underwriting agreement ("**Underwriting Agreement**") with Barclay Wells Ltd ("**Underwriter**") pursuant to which the Company's unlisted options expiring on 30 June 2016 and exercisable at \$0.021 were fully underwritten by the Underwriter. This transaction resulted in the Company receiving \$1,956,922.42 (before costs) upon the exercise of the unlisted options. Under the Underwriting Agreement the Company agreed to pay the Underwriter an underwriting fee of 6% on the total underwritten amount and agreed to issue to the Underwriter 104,469,366 unlisted options exercisable at \$0.03 on or before 30 June 2019 and on the terms and conditions set out in Annexure A ("**Underwriting Options**"). The issue of the Underwriting Options is subject to Shareholders approving Resolution 5 for the purpose of Listing Rule 7.1.

Resolution 5 seeks Shareholder approval for the issue of 104,469,366 Underwriting Options under Listing Rule 7.1.

### **6.2 Listing Rule Chapter 7**

Listing Rule 7.1 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 ordinary securities then on issue.

By approving the issue of Underwriting Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.3 Technical Information Required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Underwriting Options the subject of Resolution 5:

- (a) 104,469,366 Underwriting Options are proposed to be issued.
- (b) The Underwriting Options are to be issued to the Underwriter.
- (c) The Underwriting Options are exercisable for \$0.03 on or before 30 June 2019 and are otherwise subject to the terms and conditions set out in Annexure A.
- (d) The Underwriting Options will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- (e) It is anticipated that all of the Underwriting Options will be issued on the same date.
- (f) The Underwriting Options are issued to the Underwriter as part of the consideration for the underwriting under the Underwriting Agreement, and as such, no funds will be raised from the issue. If all of the Underwriting Options the subject of Resolution 5 are exercised, a total of \$3,134,080.98 will be raised from the exercise proceeds and such funds will be applied towards working capital and exploration activities.

The Chairman intends to vote all available proxies in favour of Resolution 5.

## 7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

### 7.1 General

Listing Rule 7.1A enables an eligible entity 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 \$14m as at 13 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 6 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.

### 7.2 Listing Rule 7.1A

The effect of Resolution 6 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 and unlisted Options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 1,217,183,243 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 6, 121,718,324 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 x 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		
		\$0.006 Issue Price at half the current market price	\$0.012 Issue Price at current market price	\$0.024 Issue Price at double the current market price
<b>Current Variable 'A'</b> 1,217,183,243 Shares	Shares issued	121,718,324	121,718,324	121,718,324
	Funds raised	\$730,310	\$1,460,620	\$2,921,240
	Dilution	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 1,825,774,864 Shares	Shares issued	182,577,486	182,577,486	182,577,486
	Funds raised	\$1,095,465	\$2,190,930	\$4,381,860
	Dilution	10%	10%	10%
<b>100% increase in current variable 'A'</b> 2,434,366,486 Shares	Shares issued	243,436,648	243,436,648	243,436,648
	Funds raised	\$1,460,620	\$2,921,240	\$5,842,480
	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 quoted Options, for the purposes of the above table, it is assumed that those quoted 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 6 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.

### 7.3 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 the 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 6 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; or
    - (B) as consideration (or part thereof) for the acquisition of a new asset, 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 in Section 6.2 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 13 October 2016 (being the date before the date of this Notice of Meeting), being \$0.012, (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: acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital; and
  - (ii) If Equity Securities are issued for non-cash consideration for the acquisition of the new assets and investments. 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 methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (g) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting.

The Company has issued 15,000,003 Equity Securities under Listing Rule 7.1A during the preceding 12 months. During the preceding 12 month period a total of 481,396,697 Equity Securities Shares were issued (being 392,008,597 Shares and 89,388,100 Options), which based on the number of Equity Securities on issue 12 months before the date of the Meeting comprise 38.88% of the Company's Equity Securities. Information relating to the issue of Equity Securities in the preceding 12 months is set out in the table below.

Date of Schedule 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price <sup>1</sup> on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds
					If issued for non-cash consideration – a description of the consideration and the current value of the consideration
18/10/16	158,763,031	Fully paid ordinary shares	Issued pursuant to a placement to sophisticated investors	Issue price \$0.005	Total cash received \$793,815. Proceeds for exploration activities.
14/07/16	92,472,496	Fully paid ordinary shares	Issued pursuant to an underwriting agreement	Issue price of \$0.021	Total cash received \$1,941,922. Proceeds for exploration activities.
12/07/16	a) 69,388,100 b) 20,000,000	Unlisted options	a) Free attaching options to placement of shares on 18 April 2016. b) Issued to Barclay Wells or nominee.	a) Free attaching unlisted option b) Unlisted options and no market price available.	a) Issued for non cash consideration. The current value of the unlisted options is \$148,600* and are currently out of the money. b) Issued for non cash consideration. The current value of the unlisted options is \$42,832* and are currently out of the money *valued using the Black-Scholes valuation model
01/07/16	714,286	Fully paid ordinary shares	Issued pursuant to exercise of options.	Options converted at \$0.021 each.	Total cash received \$15,000. Proceeds for working capital.
29/06/16	1,282,584	Fully paid ordinary shares	Issued pursuant to exercise of options.	Options converted at \$0.021 each.	Total cash received \$43,734. Proceeds for working capital.
18/04/16	138,776,200	Fully paid ordinary shares	Issued pursuant to a placement to sophisticated investors.	Issue price \$0.01	Total cash received \$1,387,762. Proceeds spent on exploration.

- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that 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.

The Chairman intends to vote all available proxies in favour of Resolution 6.

## 8. RESOLUTIONS 7, 8, 9 and 10 – GRANT OF DIRECTOR OPTIONS TO THE DIRECTORS

### 8.1 Background

The Company proposes to grant a total of 22,500,000 Director Options (each with an exercise price of \$0.015 and an expiry date three years from the date of issue) to Messrs Ashley Hood, Michael Pedley, Guy Le Page and Keith Bowker (“**Participating Directors**”), or their nominees.

### 8.2 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:

- the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- 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 Participating Directors is a related party of the Company.



Resolutions 7, 8, 9 and 10 relate to the proposed grant of Director Options to the Participating Directors, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

### 8.3 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 Director Options will be issued as set out in the table below.

The proposed financial benefit to be given is the grant of Director Options for no consideration to the Participating Directors.

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

Director	Number of Director Options	Amount to be paid (A\$)
Ashley Hood (or his nominee)	10,000,000	\$150,000
Michael Pedley (or his nominee)	5,000,000	\$75,000
Guy Le Page (or his nominee)	5,000,000	\$75,000
Keith Bowker (or his nominee)	2,500,000	\$37,500
<b>Total</b>	<b>22,500,000</b>	<b>\$337,500</b>

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

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

The grant of Director Options to Mr Ashley Hood encourage him 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 (in the absence of Mr Hood) that the incentives intended for Mr Hood represented by the grant of these Director Options to him are 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.

Shareholders should note that for the reasons noted above, it is proposed to grant Director Options to Messrs Pedley, Le Page and Bowker notwithstanding the guidelines contained in the Box on page 33 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3<sup>rd</sup> Edition) (**Principles**) which states that non-executive Directors should not receive performance-based remuneration or options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity. The Board considers the grant of Director Options to Messrs Pedley, Le Page and Bowker reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Director Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- (a) the remuneration of the Directors; and
- (b) 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 Director Options upon the terms proposed.

#### *Participating Directors Current Holdings*

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

Director	Number of Shares	Number of Options
Ashley Hood	7,020,651	Nil
Michael Pedley	9,277,751	5,000,000
Guy Le Page	31,846,729	11,402,917
Keith Bowker	1,323,750	5,000,000
<b>Total</b>	<b>49,468,881</b>	<b>21,402,917</b>

*Dilution effect of grant of Director Options on existing members' interests*

If passed, Resolutions 7, 8, 9 and 10 will give the Directors power to grant a total of 22,500,000 Director Options on the terms and conditions as set out in Annexure B to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 1,217,183,243 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
7,500,000	\$0.015	31 December 2016
5,201,982	\$0.021	31 December 2016
89,388,100	\$0.025	30 June 2017
5,000,000	\$0.070	31 March 2018
10,000,000	\$0.021	31 August 2019
275,000,000	\$0.0125	31 August 2019

If all Director Options granted as proposed above are exercised, and assuming **all** existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 34.06%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not the Participating Directors exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options.

*Participating Directors' total remuneration package*

The Participating 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 Director Options the subject of Resolutions 7, 8, 9 and 10, are as follows:

Director	Fees p.a. (A\$)	Value of Director Options (A\$)	Total Financial Benefit (A\$)
Ashley Hood	\$150,000	\$53,976	\$203,976
Michael Pedley	\$60,000	\$26,988	\$86,988
Guy Le Page	\$30,000	\$26,988	\$56,988
Keith Bowker	\$30,000	\$13,494	\$43,494

The indicative option valuation of \$121,446 is a theoretical valuation of each Directors Option using the Black – Scholes Model.

*Valuation of Director Options*

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

Variable	Input
Share price	\$0.01
Exercise price	\$0.015
Risk Free Interest Rate	\$1.72%
Volatility	99%
Time (years to expiry)	3 years

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

- they have based the underlying value of each Share in the Company on the ASX closing price of \$0.01 on 11 October 2016;
- risk free rate of return – 17.72% (estimated, based on government bond rates for similar time period); and
- they used a volatility of the Share price of 99% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading.

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

Based on the assumptions, it is considered that the estimated average value of the Director Options to be granted to the Participating Directors is \$0.005 per Directors Option.

#### *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 13 October 2016:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.026 on 1 July 2016	\$0.006 on 11 February 2016	\$0.014 on 12 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 Director 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 Director Options pursuant to Resolutions 7, 8, 9 and 10.

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 7, 8, 9 and 10.

#### *Directors' recommendation*

All the Directors were available to make a recommendation.

Mr Ashley Hood declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Michael Pedley, Guy Le Page and Keith Bowker also decline to make a recommendation about Resolution 7. 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 Messrs Michael Pedley, Guy Le Page and Keith Bowker do not have a material personal interest in the outcome of Resolution 7, given it is proposed that they also be issued with Director Options under Resolutions 8, 9 and 10 respectively, they have declined to make a recommendation about Resolution 7 in line with the ASIC guidance.

All the Directors were available to make a recommendation. Mr Michael Pedley declines to make a recommendation about Resolution 8 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Ashley Hood, Guy Le Page and Keith Bowker also decline to make a recommendation about Resolution 8. 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 Messrs Ashley Hood, Guy Le Page and Keith Bowker do not have a material personal interest in the outcome of Resolution 8, given it is proposed that they also be issued with Director Options under Resolutions 7, 9 and 10 respectively, they have declined to make a recommendation about Resolution 8 in line with the ASIC guidance.

All the Directors were available to make a recommendation. Mr Guy Le Page declines to make a recommendation about Resolution 9 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Ashley Hood, Michael Pedley and Keith Bowker also decline to make a recommendation about Resolution 9. 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 Messrs Ashley Hood, Michael Pedley and Keith Bowker do not have a material personal interest in the outcome of Resolution 9, given it is proposed that they also be issued with Director Options under Resolutions 7, 8 and 10 respectively, they have declined to make a recommendation about Resolution 9 in line with the ASIC guidance.

All the Directors were available to make a recommendation. Mr Keith Bowker declines to make a recommendation about Resolution 10 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Ashley Hood, Michael Pedley and Guy Le Page also decline to make a recommendation about Resolution 10. 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 Messrs Ashley Hood, Michael Pedley and Guy Le Page do not have a material personal interest in the outcome of Resolution 10, given it is proposed that they also be issued with Director Options under Resolutions 7, 8 and 9 respectively, they have declined to make a recommendation about Resolution 10 in line with the ASIC guidance.

#### 8.4 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 Director Options to the Participating Directors.

The following information in relation to the Director Options to be granted pursuant to Resolutions 7, 8, 9 and 10 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the Director Options will be granted to the Participating Directors or their nominees, as noted above;
- (b) the maximum number of Director Options to be granted is 22,500,000 and to the following Participating Directors:

Participating Director	Number of Director Options
Ashley Hood (or his nominee)	10,000,000
Michael Pedley (or his nominee)	5,000,000
Guy Le Page (or his nominee)	5,000,000
Keith Bowker (or his nominee)	2,500,000
<b>Total</b>	<b>22,500,000</b>

- (c) the Director 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 Director Options will be granted for no consideration and the terms and conditions of the Director Options are set out in Annexure B to this Explanatory Memorandum; and
- (e) no funds will be raised by the issue of the Director Options. The funds raised if the Director Options are exercised will be used for general working capital.

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

#### 8.5 Voting

Note that a voting exclusion applies to Resolutions 7, 8, 9 and 10 in the terms set out in the Notice.

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

## **9. RESOLUTIONS 11 AND 12 - RATIFICATION OF ISSUE OF SHARES AND APPROVAL TO ISSUE OPTIONS**

### **9.1 Background**

As announced on 11 October 2016, the Company undertook a private placement of 158,763 031 Shares at an issue price of \$0.005 per Share together with one free attaching Placement Option for every two Shares issued (each Placement Option having an exercise price of \$0.0125 and expiry date of 31 August 2019) to raise \$793,815 (before costs) (“**Placement**”).

Funds raised under the Placement will be used for general working capital and exploration activities.

The Shares issued pursuant to the Placement were issued on 18 October 2016. The issue of Placement Options pursuant to the Placement is subject to Shareholder approval (refer Resolution 12).

### **9.2 Listing Rule 7.4**

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 11 seeks ratification under Listing Rule 7.4 of the issue of 158,763,031 Shares that was made on 18 October 2016 in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

### **9.3 Information required by Listing Rule 7.5**

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

- (a) 158,763,031 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.005 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 sophisticated investors all of whom are unrelated parties of the Company; and
- (e) funds raised from the issue were used for general working capital and exploration activities.

### **9.4 Listing Rule 7.1**

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.

Resolution 12 seeks approval to issue 79,381,515 free attaching Placement Options pursuant to the Placement.

### **9.5 Information required by Listing Rule 7.3**

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 maximum number of Placement Options the Company can issue is 79,381,515;
- (b) the Company will issue the Placement 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 Placement Options will be issued for no consideration;
- (d) the Placement Options will be issued to sophisticated investors all of whom are unrelated parties of the Company and who participated in the Placement;
- (e) the terms and conditions of the Placement Options are set out in Annexure B to this Explanatory Memorandum;
- (f) no funds will be raised by the issue of the Placement Options. The funds raised if the Placement Options are exercised will be used for general working capital; and
- (g) the Placement Options will be issued on one date.

## 10. DEFINITIONS

In this Notice and Explanatory Memorandum:

**\$** 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 in Section 7.1;

**“Additional Placement Period”** has the meaning set out in Section 7.3;

**“Annexure”** means an annexure to this Notice and Explanatory Memorandum;

**“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 ACN 008 624 691;

**“Board”** means the board of Directors;

**“Business Day”** has the meaning given to it in the Listing Rules;

**“Chairman or Chair”** means the chairman of the Board;

**“Closely Related Party”** has the meaning given to that term in the Corporations Act;

**“Company”** means Mount Ridley Mines Limited (ACN 092 304 964);

**“Constitution”** means the constitution of the Company;

**“Corporations Act”** means the Corporations Act 2001 (Cth);

**“Director”** means a director of the Company;

**“Director Options”** means an option to acquire a Share the terms of which are set out in Annexure B;

**“Equity Securities”** has the same meaning as in the Listing Rules;

**“Explanatory Memorandum”** means this Explanatory Memorandum;

**“Key Management Personnel”** has the meaning given to that term in the Accounting Standards;

**“Listing Rules”** means the official listing rules of the ASX;

**“Notice”** and **“Notice of Meeting”** means the notice of meeting to which this Explanatory Memorandum is attached;

**“Official List”** means the official list of ASX;

**“Option”** means an option to acquire one Share and **“Optionholder”** has a corresponding meaning;

**“Participating Directors”** has the meaning set out in Section 8.1;

**“Placement”** has the meaning set out in Section 9.1;

**“Placement Option”** means an option to acquire a Share the terms of which are set out in Annexure C;

**“Proxy Form”** means the proxy form accompanying the Notice;

**“Resolution”** means a resolution set out in this Notice;

**“Restricted Voter”** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting;

**“Section”** means a section of this Explanatory Memorandum;

**“Share”** means an ordinary fully paid ordinary share in the capital of the Company;

**“Shareholder”** means a member of the Company from time to time;

**“Spill Meeting”** has the meaning set out in Section 2;

**“Spill Resolution”** the meaning set out in Section 2;

**“Trading Day”** has the meaning ascribed to that term in the Listing Rules;

**“Underwriter”** has the meaning set out in Section 6.1;

**“Underwriting Agreement”** has the meaning set out in Section 6.1;

**“Underwriting Options”** has the meaning set out in Section 6.1; and

**“WST”** means Western Standard Time.

## Annexure A – Terms of Underwriting Options

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (WST) on 30 June 2019 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse.
- (c) The amount payable upon exercise of each Option is \$0.03 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX.
- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining the entitlements to participate in any such issue.
- (m) Other than as contemplated by paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.



## Annexure B - Terms of Director Options

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (WST) 3 years from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse.
- (c) The amount payable upon exercise of each Option is \$0.015 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX.
- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining the entitlements to participate in any such issue.
- (m) Other than as contemplated by paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

### Annexure C - Terms of Placement Options

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5:00pm (WST) on 31 August 2019 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse.
- (c) The amount payable upon exercise of each Option is \$0.0125 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (i) The Company will not apply for quotation of the Options on ASX.
- (j) The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining the entitlements to participate in any such issue.
- (m) Other than as contemplated by paragraph (k), an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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# MOUNT RIDLEY MINES LIMITED

ACN: 092 304 964

**REGISTERED OFFICE:**SUITE 1  
56 KINGS PARK ROAD  
WEST PERTH WA 6005**SHARE REGISTRY:**

Security Transfer Australia Pty Ltd

**All Correspondence to:**

PO BOX A2020

South Sydney NSW 1235

Suite 511, The Trust Building

155 King Street

Sydney NSW 2000

T: +61 3 9628 2200 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

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«EFT\_REFERENCE\_NUMBER»

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code:

MRD

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.

**VOTE  
ONLINE**Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

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

The meeting chairperson

**OR**

or failing the person named, or if no person is named, the Chairperson 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 10:00am WST on Monday 28 November 2016 at Somerville Advisory Group, Suite 4, 56 Kings Park Road, West Perth WA 6005 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. The Chairperson of the Meeting intends to vote undirected proxies **in FAVOUR** of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Non-Binding Resolution to Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Grant of Director Options to Mr Ashley Hood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Mr Michael Pedley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Grant of Director Options to Mr Michael Pedley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Mr Keith Bowker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Grant of Director Options to Mr Guy Le Page	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-Election of Guy Le Page	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Grant of Director Options to Mr Keith Bowker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval for the Issue of Underwriting Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval to Issue Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Security Holder 2

Security Holder 3

Sole Director &amp; Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Saturday 26 November 2016.**

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My/Our contact details in case of enquiries are:

Name:

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Number:

( 

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### 1. NAME AND ADDRESS

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.

### 2. APPOINTMENT OF A PROXY

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.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

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.

### 4. APPOINTMENT OF A SECOND PROXY

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.

To appoint a second Proxy you must:

- 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
- Return both forms in the same envelope.

### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

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.

### 6. LODGEMENT OF PROXY

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.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

<b>Online</b>	www.securitytransfer.com.au
<b>Postal Address</b>	PO BOX A2020 South Sydney NSW 1235
<b>Street Address</b>	Suite 511, The Trust Building 155 King Street Sydney NSW 2000
<b>Telephone</b>	+61 3 9628 2200
<b>Facsimile</b>	+61 8 9315 2233
<b>Email</b>	registrar@securitytransfer.com.au

### PRIVACY STATEMENT

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.

