



South Pacific Resources Limited

ABN 30 073 099 171

Notice of Annual General Meeting and Explanatory Statement

The Annual General Meeting of the Company will be held at Level 5, 56 Pitt Street, Sydney, New South Wales 2000 at 11.00am (AEDT) on Friday, 11 November 2016

This is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form.

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South Pacific Resources Limited

ABN 30 073 099 171

Time and Place of Meeting and How to Vote

Venue

The Annual General Meeting of Shareholders of the Company will be held at:

Level 5, 56 Pitt Street Sydney, New South Wales, 2000	Commencing 11.00am (AEDT) on Friday, 11 November 2016
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How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

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

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary on facsimile number +61 2 8823 3188; or
- deliver to the Company at Level 5, 56 Pitt Street, New South Wales, 2000.

so that it is received not later than 11.00am (AEDT) on Wednesday, 9 November 2016.

South Pacific Resources Limited

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Proxy Form

South Pacific Resources Limited

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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of South Pacific Resources Limited will be held at Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 at 11.00am on Friday, 11 November 2016 (**Annual General Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Proxy Form and Explanatory Statement form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders at 7.00 pm (AEDT) on Wednesday, 9 November 2016.

Capitalised terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Definitions section of the Explanatory Statement.

Agenda

ITEMS OF BUSINESS

Receipt of Financial and other Reports

To receive and consider the financial statements of the Company and the reports of the directors and the auditor in respect of the financial year ended 30 June 2016.

Resolution 1. Adoption of Remuneration Report

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 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company’s annual financial report for the year ended 30 June 2016 is adopted.”

Note – the vote on this item is advisory only and does not bind the directors of the Company.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1 by any of the Company’s key management personnel (KMP) named in the Remuneration Report or by a closely related party of a KMP. However, the Company need not disregard a vote cast by a KMP or a closely related party of a KMP if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above;
- (b) the person is the Chair voting a proxy which expressly authorises the Chair to vote this proxy on a resolution connected with the remuneration of a member of the KMP.

The Chairman intends to vote undirected proxies in favour of the resolution to adopt the Remuneration Report.

Resolution 2. Re- Election of Mr Alvin Tan

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

“That, Mr Alvin Tan, who retires in accordance with clause 13.2 of the Constitution, and being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a Director of the Company.”

Resolution 3. Approval of additional 10% Placement Facility

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

“That, for the purpose of Listing Rule 7.1A and all other purposes, 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 in Listing Rule 7.1A.2, and on terms and conditions in the Explanatory Statement, is hereby approved.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) and any associates of those persons. However, the Company need not disregard a vote if it is:

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

Resolution 4. Ratification of issue of Shares to Consultant

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

“That, for the purpose of Listing Rule 7.4 and all other purposes, the Company ratify the allotment and issue of 1,000,000 Shares to a consultant, on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by those persons who were issued securities and any associates of those persons. However, the Company need not disregard a vote if it is:

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

Resolution 5. Ratification of issue of Shares and Options to Eligible Persons

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

“That, for the purpose of Listing Rule 7.4 and all other purposes, the Company ratify the allotment and issue of 18,700,000 Shares (at an issue price of \$0.06 each) and 9,350,000 Options, on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by those persons who were issued securities and any associates of those persons. However, the Company need not disregard a vote if it is:

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

Resolution 6. Ratification of issue of Options to Brokers and Consultants

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

“That, for the purpose of Listing Rule 7.4 and all other purposes, the Company ratify the allotment and issue of 5,500,000 Options to brokers and consultants, on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by those persons who were issued securities and any associates of those persons. However, the Company need not disregard a vote if it is:

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

Resolution 7. Issue of Shares to Related Party - Mr Domenic Martino

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

“That, for the purpose of Listing Rule 10.11 and all other purposes, approval is given for the Company to allot and issue 3,328,000 Shares at an issue price of \$0.10 per Share in satisfaction of amounts owing to Mr Domenic Martino and Domenal Enterprises Pty Ltd as trustee for the DVM Superannuation Fund who have consented to the issue of Shares in satisfaction of amounts owing.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Domenic Martino or Domenal Enterprises Pty Ltd as trustee for the DVM Superannuation Fund and any associates of Mr Domenic Martino and Domenal Enterprises as trustee for the DVM Superannuation Fund. However, the Company need not disregard a vote if it is:

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

Resolution 8. Issue of Shares to Related Party - Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust

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

“That, for the purpose of Listing Rule 10.11 and all other purposes, approval is given for the Company to allot and issue 3,254,545 Shares at an issue price of \$0.10 per Share in satisfaction of amounts owing to Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust who has consented to the issue of Shares in satisfaction of amounts owing.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust and any associates of Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust. However, the Company need not disregard a vote if it is:

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

Resolution 9. Issue of Options to Tamarind Management Sdn Bhd

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

“That, for the purpose of Listing Rule 7.1 and all other purposes, approval is given for the Company to allot and issue up to 20,000,000 Options to Tamarind Management Sdn Bhd for services provided, on the terms set out in the Explanatory Memorandum.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by those persons 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. However, the Company need not disregard a vote if it is:

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

Dated this 4th day of October 2016

By Order of the Board



Louisa Martino
Company Secretary

Notes:

1. A Shareholder of the Company who is entitled to attend and vote at a annual general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 7.00 pm (AEDT) on Wednesday, 9 November 2016.

South Pacific Resources Limited

ABN 30 073 099 171

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Shareholders of South Pacific Resources Limited (**Company** or **SPR**) to be held at Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 at 11.00am (AEDT) on Friday, 11 November 2016 (**Annual General Meeting**).

Receipt of Financial and other Reports

Section 317 of the *Corporations Act* requires each of the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report for the last financial year to be laid before the Meeting.

The Company's Constitution also provides for these reports to be received and considered at that Meeting.

There is no requirement for these reports to be formally approved by shareholders.

The reports referred to are included in the Annual Report sent to shareholders who have requested to receive a copy. If you have not elected to receive a hard copy of the Company's 2016 Annual Report, it can be accessed on the Company's website at www.southpacificresources.com

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

1 Resolution 1 - Adoption of the Remuneration Report for the year ended 30 June 2016

The Board is committed to creating value for Shareholders by applying the Company's funds productively and responsibly. A portion of the funds available to the Company is applied to remunerate the Managing Director and Non-Executive Directors.

Your Board is aware of the sensitivities of Shareholders to remuneration practices generally, and submits its remuneration report to Shareholders for consideration and adoption under a non-binding resolution.

The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. This rule provides that if at least 25% of the votes cast on the adoption of the remuneration report at 2 consecutive annual general meetings are against adopting the remuneration report, shareholders will have the opportunity to vote on holding a meeting at which all of the Directors, excluding the Managing Director will cease to hold office and will seek re-election as a director of the Company. The Company has not received any strikes.

The Company strives to have a remuneration structure that enables it to recruit and retain the capable staff needed to grow the business, while being in line with the Company's culture and reinforcing its values. The Board will continue to monitor the remuneration policies and their effectiveness.

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

The resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into account when considering the Company's remuneration policy.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1.

2 Resolution 2 – Re-Election of Mr Alvin Tan

Under the Constitution (clause 13.2) one third of the Directors (not including any Managing Director) must retire from office annually, and, if eligible may offer themselves for re-election. Accordingly Mr Tan seeks re-election to the Board.

Alvin Tan has extensive corporate experience in Australia and Asia, including mergers, acquisitions, capital raisings and listings (on ASX, the Alternative Investments Market (AIM) of the London Stock Exchange, Kuala Lumpur Stock Exchange (KLSE) and the German Stock Exchange). Mr Tan studied at the University of Western Australia, gaining a Bachelor of Commerce with honours, and subsequently was employed by KPMG in Kuala Lumpur from 1993-1995 as a financial consultant.

Returning to Australia, Mr Tan worked with the stockbroking firm of DJ Carmichael before pursuing other business interests. He was a founding director of various companies which are now listed on ASX.

Mr Tan currently serves on the board of ASX listed Advanced Share Registries Ltd and BKM Management Ltd. He also has interests in companies in exploration, property development, plantation and investment holdings.

During the past three years Mr Tan held the following directorships in other ASX listed companies:

Non- Executive Director of Advanced Share Registry Ltd (11 September 2007-Current) and BKM Management Limited (5 February 2002-Current).

Directors' Recommendation

The Board (Mr Tan abstaining) recommend that Shareholders vote in favour of Resolution 2;

The Chairman intends to exercise all undirected proxies in favour of Resolutions 2.

3 Resolution 3 – Approval of additional 10% Placement Facility

Listing Rule 7.1A came into effect on 1 August 2012. It enables eligible entities to issue Equity Securities (such as shares) up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (Additional 10% Limit). The Additional 10% Limit is in addition to the Company's 15% limit under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the Additional 10% Limit. The exact number of Equity Securities to be issued under the Additional 10% Limit will be determined at the time in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Shareholders pass Resolution 3, it will enable the Company to issue up to a maximum of 25% of its issued capital in the 12 months following the date of the Annual General Meeting. This 25% of issued capital is made up of:

- (a) 15% of the Company's issued capital under Listing Rule 7.1 (which is not subject to shareholder approval); and
- (b) 10% of the Company's issued capital under Listing Rule 7.1A. This additional 10% of issued capital is subject to Shareholder approval and requirements as set out in this Section.

As at the date of this Notice, the Company has on issue 157,932,766 Shares and if Resolutions 7 and 8 are approved, the Company will have a total of 164,287,311 Shares on issue. If this resolution is approved, the Company would have the capacity to issue:

- (a) Up to 24,643,096 Shares (15% of issue capital under Listing Rule 7.1 which is not subject to shareholder approval); and
- (b) Up to 16,428,731 Shares (10% of issued capital under Listing Rule 7.1A which is subject to Shareholder approval the subject of this Resolution 3).

The following information is provided to assist shareholders to determine whether to approve Resolution 3:

- (a) There are a number of differences between an issue of shares under the 15% Limit and the Additional 10% Limit:
- any securities issued under the Additional 10% Limit must be in the same class as an existing class of equity securities of the Company that is quoted on ASX; and
 - the issue price of securities under the Additional 10% Limit must be at least 75% of the volume weighted average price (“VWAP”) of the Company’s shares over the 15 trading days before their issue date or the date on which the price of securities is agreed so long as the issue is then completed within 5 Business Days.
- (b) An issue (or agreement to issue) under the Additional 10% Limit does not detract from the Company’s capacity to issue securities under the 15% Limit. It operates as a separate capacity.
- (c) If securities are issued under the Additional 10% Limit this may result in a dilution of shareholders’ voting power (see the table at paragraph (e) below).
- (d) There is the risk that:
- the market price for the Company’s securities may be significantly lower on their date of issue than on the date of the Meeting; and
 - the securities may be issued at a price that is at a discount to the market price for the Company’s securities on the issue date or the securities are issued as part of consideration for the acquisition of a new asset, which may affect the amount of funds raised by Company under the issue.
- (e) The table below shows the dilution of existing shareholders on the basis of the closing price of the Company’s shares on ASX on 26 September 2016 and the current number of securities as at the date of this Notice.

It also shows:

- two examples where the number of securities has increased, one by 50% and one by 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples: one where the issue price of ordinary securities has decreased by 50% and one where the issue price of ordinary securities increases by 100% as against the closing market price as at 26 September 2016.

Number of Securities on Issue		Issue Price of additional 10% issued under Listing Rule 7.1A		
		\$0.025 50% decrease in Issue Price	\$0.05 Current Issue Price	\$0.10 100% increase in Issue Price
Shares on issue: 164,287,311 shares	Number on Issue after 10% voting dilution	180,716,042 shares	180,716,042 shares	180,716,042 shares
	Funds raised	\$410,718	\$821,436	\$1,642,872
Assume 50% increase in shares, but before a further issue of 10% under Listing Rule 7.1A 246,430,967 shares	Number on Issue after 10% voting dilution	271,074,063 shares	271,074,063 shares	271,074,063 shares
	Funds raised	\$616,077	\$1,232,154	\$2,464,308
Assume 100% increase before a further issue of 10% under Listing Rule 7.1A 328,574,622 shares	Number on Issue after 10% voting dilution	361,432,084 shares	361,432,084 shares	361,432,084 shares
	Funds raised	\$821,436	\$1,642,872	\$3,285,744

The table has been prepared on the following assumptions:

- a. *There are currently 164,287,311 Shares on issue comprising:*
 - i) 157,932,766 existing Shares as at the date of this Notice of Meeting; and
 - ii) 6,354,545 Shares that will be issued if Resolutions 7 and 8 are passed at this meeting.
 - b. *The Company issues the maximum number of equity securities available under the Additional 10% Limit.*
 - c. *The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.*
 - d. *The table does not show the actual dilution that may be caused to any particular shareholder by reason of placements under the Additional 10% Limit, based on that shareholder's holding at the date of the Meeting.*
 - e. *The table only shows the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% Limit under Listing Rule 7.1.*
 - f. *The share price is \$0.06, being the closing price of the shares on ASX on 26 September 2016*
- (f) If Resolution 3 is approved, the Company can only issue securities under the Additional 10% Limit for 12 months from the date of the Meeting. However, an approval under Resolution 3 will cease to be effective if shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of a main undertaking).
- (g) The Company may seek to issue securities for the following purposes:
- non-cash consideration for the acquisition of assets and investments: in this instance the Company will need to provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - cash consideration: in this instance the Company intends to use the funds raised towards an acquisition of new assets or investments (including the expense associated with such acquisition), continued expenditure on the Company's current assets and/or general working capital.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Limit. The identity of the allottees of any securities will be determined on a case by case basis having regard to the factors including but not limited to the following:
- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - the effect of the issue of the securities on the control of the Company;
 - the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisers (if applicable).
- As at the date of this Notice there is no specific circumstance under which the Company intends to make an allotment under the Additional 10% Limit, but it may include existing substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- (i) As the Company has previously obtained shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting and pursuant to Listing Rule 7.3A.6, the Company has issued shares preceding the date of the meeting as follows:
- (i) A total number of 22,700,000 shares and 21,050,000 options and were issued in the 12 months preceding the date of this meeting representing 16.66% and 15.45%, respectively, of the total number of equity securities on issue at the commencement of the 12 month period;

(ii) Details of each issue during the 12 months preceding the date of this meeting are as follows:

Date of Issue:	28 October 2015	31 December 2015	24 February 2016	18 May 2016	3 August 2016
Number issued:	1,000,000	4,200,000	1. 2,000,000 2. 2,000,000	1,000,000	1. 18,700,000 2. 9,350,000 3. 5,500,000
Class/Type of equity security:	Fully paid ordinary share	Unlisted option to subscribe for fully paid ordinary shares	1. Fully paid ordinary share 2. Unlisted option to subscribe for fully paid ordinary shares	Fully paid ordinary share	1. Fully paid ordinary share 2. Unlisted option to subscribe for fully paid ordinary shares 3. Unlisted option to subscribe for fully paid ordinary shares
Summary of terms:	\$0.05 per share along with an unlisted option for every two shares (which was subject to shareholder approval)	Issued for nil consideration with an exercise price of \$0.05 per share and an expiry date of 31 December 2018	\$0.05 per share along with an unlisted option issued for nil consideration with an exercise price of \$0.05 per share and an expiry date of 24 February 2019.	\$0.05 per share	\$0.06 per share along with an unlisted option for every two shares issued for nil consideration with an exercise price of \$0.12 per share and an expiry date of 3 February 2017 5,500,000 unlisted options issued for nil consideration to brokers and consultants with an exercise price of \$0.12 and an expiry date of 3 August 2017
Basis on which the person was determined to receive securities:	Non-related Eligible Persons	Non-Related Eligible Persons	Consultant	Consultant	Non-Related Eligible Persons
Issue Price:	\$0.05	\$Nil	\$0.05	\$0.05	\$0.06
Discount to market price (if any):	Nil	Not applicable	Nil	Nil	14.29%
Total cash / non cash consideration received:	\$50,000	\$Nil	\$100,000 against invoices owing to consultant	\$40,000 against invoice owing to consultant	\$1,122,000
Amount of cash consideration spent:	\$50,000	\$Nil	Not applicable	Not applicable	\$726,000
Use of cash consideration spent:	Working Capital	Not applicable	Not applicable	Not applicable	Working Capital
Intended use of remaining cash:	Not applicable	Not applicable	Not applicable	Not applicable	Working Capital

(j) A voting exclusion statement is set out in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholder or security holder or identifiable class of existing security holder to participate in the issue of the securities under Listing Rule 7.1A. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

The Chairman intends to exercise all undirected proxies in favour of Resolution 3.

4 Resolution 4 - Ratification of issue of Shares to Consultant

Overview

On 18 May 2016, the Company issued 1,000,000 Shares to consultant as payment of an invoiced amount of \$40,000 in respect of public relations services provided.

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 such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

ASX Listing Rules

Pursuant to Resolution 4, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 1,000,000 Shares on 18 May 2016 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

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

- a) The number of securities issued totalled 1,000,000 Shares;
- b) The Shares were issued in payment of an invoiced amount of \$40,000;
- c) Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with existing fully paid ordinary shares on issue;
- d) The Shares were issued to S3 Consortium Pty Ltd, a non-related party;
- e) The issue of Shares did not raise any funds, but the Shares were issued as consideration for public relations services provided;
- f) A voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.

The Chairman intends to exercise all undirected proxies in favour of Resolution 4.

5 Resolution 5 – Ratification of issue of Shares and Options to Eligible Persons

Overview

To assist with working capital requirements, the Company issued 18,700,000 shares along with an Option for every two new Shares (9,350,000 Options) on 3 August 2016 at \$0.06 per share to raise a total of \$1,122,000.

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 such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

ASX Listing Rules

Pursuant to Resolution 5, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 18,700,000 Shares and 9,350,000 options on 3 August 2016 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

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

- a) The number of securities issued totalled 18,700,000 Shares and 9,350,000 Options;
- b) The securities were issued at \$0.06 per Share with a free attaching Option for every two shares;
- c) The terms of the securities are as follows:
 - i) Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with existing fully paid ordinary shares on issue; and
 - ii) The Options were issued on the terms and conditions set out in Schedule 1;
- d) The securities were issued to Eligible Persons under the Corporations Act and sourced by the Company's Directors;
- e) The use of all funds raised was for working capital purposes;
- f) A voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

The Chairman intends to exercise all undirected proxies in favour of Resolution 5.

6 Resolution 6 – Ratification of issue of Options to Brokers and Consultants

Overview

On 3 August 2016, the Company issued 5,500,000 Options to brokers and consultants for services provided in respect of the capital raising. Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

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 such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

ASX Listing Rules

Pursuant to Resolution 6, the Directors are seeking ratification under Listing Rule 7.4 of the issue 5,500,000 options on 3 August 2016 in order to restore the right of the Company to issue further securities within the 15% limit during the next 12 months.

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

- a) The number of securities issued totalled 5,500,000 options;
- b) The securities were issued for nil cash consideration;
- c) The options were issued on the terms and conditions set out in Schedule 2;
- d) The options were issued to brokers and consultants to the Company;
- e) The options were issued for nil cash consideration for services provided;
- f) A voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

The Chairman intends to exercise all undirected proxies in favour of Resolution 6.

7 Resolutions 7 and 8 – Issue of Shares to Related Parties

These Resolutions seek Shareholders' approval for satisfaction of amounts owing to Related Parties with the issue of fully paid ordinary shares in the Company at a price of \$0.10 per Share.

Subject to certain exemptions, Listing Rule 10.11 restricts a company from issuing or agreeing to issue equity securities to a related party without Shareholders' approval.

The Company does not consider that the proposed share issues fall within any of the exemptions to Listing Rule 10.11 and accordingly seeks Shareholder approval of the issues to related parties for the purposes of Listing Rule 10.11, to enable the Company to issue the securities contemplated by these Resolutions.

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless one of a number of exceptions applies or shareholders' approval is obtained. A "financial benefit" is defined in the Corporations Act in broad terms and expressly includes a public company issuing securities. Section 210 provides an exemption for the giving of a financial benefit that is on terms less favourable to the related party than "arm's length" terms. Since February 2016, the Company has issued securities to non-related parties in lieu of amounts owing at \$0.05 (with a free option per share) and \$0.04. The settlement with the related parties will take place on terms less favourable, being an issue of shares at a deemed issue price of \$0.10 in consideration for setting off the outstanding debt. The higher share price (in comparison to previous transactions), results in fewer shares issued in consideration of the debt. In addition, the share price as at 26 September 2016 was \$0.05, with the highest price over the past 12 months being \$0.95 on 18 July 2016 and the lowest price over that 12 month period being \$0.016 on 16 May 2016. The Company has formed the view that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in relation to Resolutions 7 and 8, on the basis that the financial benefit is given on terms that are less favourable to the related party than arm's length terms and the exemption in section 210 of the Corporations Act therefore applies.

Further to the information provided above, and in accordance with the requirements of Listing Rule 10.11, the following information is provided to Shareholders to allow them to assess the approval of the issue of the Shares the subject of Resolution 7:

- a) The maximum number of Shares to be issued and allotted by the Company is 3,328,000 Shares;
- b) The Shares will be issued and allotted no later than 1 month after the date of the Meeting (or such longer period as ASX may, in its discretion allow);
- c) The issue price for the Shares will be \$0.10 per Share. The Company notes however that the Shares are to be issued in satisfaction of amounts owed to Mr Domenic Martino and Domenal Enterprises Pty Ltd as trustee for the DVM Superannuation Fund to a value of \$332,800 and, accordingly, the Company will not receive any proceeds from the issue of shares in the event that Resolution 7 is passed;
- d) The allottee of 3,100,000 Shares is Mr Domenic Martino and/or his nominee and the allottee of 228,000 Shares is Domenal Enterprises Pty Ltd as trustee for the DVM Superannuation Fund;
- e) Mr Domenic Martino is a related party as he is a director of the Company. Mr Domenic Martino is a beneficiary of Domenal Enterprises Pty Ltd as Trustee for the DVM Superannuation Fund;
- f) All Shares issued will rank equally with the existing fully paid ordinary Shares of the Company;
- g) No funds will be raised by the issue. The issue of Shares is in satisfaction of amounts owing to Mr Domenic Martino for director fees and superannuation accrued from December 2013 to June 2016;
- h) The Directors are of the opinion that, in light of the current circumstances of the Company, predominantly the need to conserve cash, the conversion price of previous amounts owing by the Company and the closing share price of the Company, that the conversion price of \$0.10 per Share is reasonable and provides a substantial benefit to all shareholders; and

- i) A voting exclusion statement is included in the Notice of Meeting.

Further to the information provided above, and in accordance with the requirements of Listing Rule 10.11, the following information is provided to Shareholders to allow them to assess the approval of the issue of the Shares the subject of Resolution 8:

- a) The maximum number of Shares to be issued and allotted by the Company is 3,254,545 Shares;
- b) The Shares will be issued and allotted no later than 1 month after the date of the Meeting (or such longer period as ASX may, in its discretion allow);
- c) The issue price for the Shares will be \$0.10 per Share. The Company notes however that the Shares are to be issued in satisfaction of amounts owed to Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust to a value of \$325,454 and, accordingly, the Company will not receive any proceeds from the issue of shares in the event that Resolution 8 is passed;
- d) The allottee of the Shares is Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust and/or its nominee;
- e) Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust is a related party as its beneficiary, Mr Joseph Goldberg, is a director of the Company;
- f) All Shares issued will rank equally with the existing fully paid ordinary Shares of the Company;
- g) No funds will be raised by the issue. The issue of Shares is in satisfaction of amounts owing to Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust for Mr Joseph Goldberg's director fees accrued from October 2013 to June 2016;
- h) The Directors are of the opinion that, in light of the current circumstances of the Company, predominantly the need to conserve cash, the conversion price of previous amounts owing by the Company and the closing share price of the Company, that the conversion price of \$0.10 per Share is reasonable and provides a substantial benefit to all shareholders; and
- i) A voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

Mr Tan (Mr Martino and Mr Goldberg abstaining), recommends that Shareholders vote in favour of Resolutions 7 and 8.

8 Resolution 9 – Issue of Options to Tamarind Management Sdn Bhd

Overview

Resolution 9 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 20,000,000 Options to Tamarind Management Sdn Bhd in respect of a commercial and technical alliance.

On 26 September 2016 Company entered into an agreement with Tamarind Management Sdn Bhd (“Tamarind”), a privately owned oil and gas company based in Kuala Lumpur with extensive experience in developing assets in Papua New Guinea (“PNG”). The alliance enables access to a significant management and operating capability to explore the full potential of the Group's acreage in PNG as the Group moves into the definition and execution of work programmes and the review of appropriate partnership and funding options.

The fee agreement involves minimal cash outlay dependent on a capital raising event and with an incentivised share option scheme based on key development and corporate milestones. It comprises an amount linked to capital raising and the allotment of 20,000,000 Options on progressive terms linked to the achievement of significant milestones (see below).

Services provided by Tamarind would include, but not limited to:

- Commercial, strategic, resource estimates and technical reviews;
- Assisting with corporate strategy and commercial initiatives;

- Assisting in partnering and farm-out process;
- Market engagement and News Flow – including assisting with investors roadshows and market announcements;
- Day to day engagement and operational assistance; and
- New business development in PNG.

Tamarind is to receive a retainer of USD10,000 per month, with USD3,000 to be paid in cash and USD7,000 accrued until completion of a significant capital raising. In addition, Tamarind will receive the following Options:

- 2.5 million Options with an exercise price of \$0.08 and a 12 month term after vesting upon achieving a 20 day share price VWAP of \$0.10;
- 2.5 million Options with an exercise price of \$0.08 and a 12 month term after vesting upon achieving a 20 day share price VWAP of \$0.15;
- 5 million Options with an exercise price of \$0.10 and an 18 month term after vesting upon execution of the first monetisation deal (including for example a strategic alliance, joint venture, farm-in or abandonment deal);
- 5 million Options with an exercise price of \$0.12 and a 24 month term after vesting upon execution of a second monetisation deal (defined as above); and
- 5 million Options with an exercise price of \$0.15 and a 36 month term after vesting upon Tamarind being engaged for a period of two years unless terminated by South Pacific Resources Limited in which case the Options vest immediately.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 9 will be to allow the Company to issue up to 20,000,000 Options to Tamarind without using the Company's 15% placement capacity.

Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue:

- a) The maximum number of securities to be issued is 20,000,000 options;
- b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by and ASX waiver or modification of the ASX Listing Rules);
- c) The Options will be issued for nil consideration, as part of a commercial and technical alliance;
- d) The Options will be issued to Tamarind Management Sdn Bhd (or its nominee/s);
- e) The Options will be issued on the terms and conditions set out in Schedule 3;
- f) A voting exclusion statement is included in the Notice of Meeting.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

The Chairman intends to exercise all undirected proxies in favour of Resolution 9.

Definitions

In this Explanatory Statement and the Notice of Meeting:

AEDT means Australian Eastern Daylight Time.

Annual General Meeting or **Meeting** means the Annual General Meeting of the Company the subject of the Notice of Meeting.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.

Board means the board of Directors of the Company .

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

Company or **SPR** means South Pacific Resources Limited ABN 30 073 099 171.

Constitution means the current constitution of the Company.

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

Director means a director of the Company.

Eligible Persons means sophisticated and professional investors within the meaning of sections 708 (8) and (11) of the Corporations Act, and persons to whom section 708(1) of the Corporations Act applies. These investors are not related parties of the Company

Explanatory Statement means the Explanatory Statement to the Notice of Meeting.

Key Management Personnel has the meaning given to it in Section 9 of the Corporations Act.

Listing Rules means the listing rules of ASX Limited

Notice of Meeting means this notice of meeting.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice of Meeting.

Resolution means a resolution contained in this Notice of Meeting.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company

Shareholder means a shareholder of the Company.

Tamarind means Tamarind Management Sdn Bhd.

VWAP means the volume weighted average price of trading in SPR shares on ASX.

Schedule 1

Option Terms –Options Issued to Eligible Persons

- a) The Options are not quoted on the ASX;
- b) The Options are exercisable at any time prior to 5.00pm AEST on 3 February 2017. Options not exercised on or before the Expiry Date will automatically lapse;
- c) the Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- d) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of \$0.12 per Share;
- e) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;
- f) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- g) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- h) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

Schedule 2

Option Terms –Options Issued to Brokers and Consultants

- a) The Options are not quoted on the ASX;
- b) The Options are exercisable at any time prior to 5.00pm AEST on 3 August 2017. Options not exercised on or before the Expiry Date will automatically lapse;
- c) the Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- d) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price of \$0.12 per Share;
- e) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;
- f) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- g) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- h) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

Schedule 3

Option Terms –Options Issued to Tamarind Management Sdn Bhd

- a) The Options are not quoted on the ASX;
- b) The Options are exercisable at any time prior to 5.00pm AEST on the Expiry Date as follows:
- 2.5 million options with an exercise price of \$0.08 and a 12 month term after vesting upon achieving a 20 day share price VWAP of \$0.10;
 - 2.5 million options with an exercise price of \$0.08 and a 12 month term after vesting upon achieving a 20 day share price VWAP of \$0.15;
 - 5 million options with an exercise price of \$0.10 and an 18 month term after vesting upon execution of first monetisation deal (including for example a strategic alliance, joint venture, farm-in or abandonment deal);
 - 5 million options with an exercise price of \$0.12 and a 24 month term after vesting upon execution of a second joint venture deal (defined as above)
 - 5 million options with an exercise price of \$0.15 and a 36 month term after vesting upon being engaged for a period of 2 years unless terminated by South Pacific Resources Limited in which case they vest immediately.

Options not exercised on or before the Expiry Date will automatically lapse;

- c) the Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- d) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share with an exercise price as follows;
- 2.5 million options with an exercise price of \$0.08 and a 12 month term vesting upon achieving a 20 day share price VWAP of \$0.10;
 - 2.5 million options with an exercise price of \$0.08 and a 12 month term vesting upon achieving a 20 day share price VWAP of \$0.15;
 - 5 million options with an exercise price of \$0.10 and an 18 month term vesting upon execution of first monetisation deal (including for example a strategic alliance, joint venture, farm-in or abandonment deal);
 - 5 million options with an exercise price of \$0.12 and a 24 month term vesting upon execution of a second joint venture deal (defined as above)
 - 5 million options with an exercise price of \$0.15 and a 36 month term vesting upon being engaged for a period of 2 years unless terminated by South Pacific Resources Limited in which case they vest immediately.
- e) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;

- f) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- g) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- h) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 7 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

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The Company Secretary
South Pacific Resources Limited

By Delivery:

Level 5, 56 Pitt Street,
Sydney New South Wales, 2000

By Post:

Level 5, 56 Pitt Street,
Sydney New South Wales, 2000

By Facsimile:

Fax number: 02 8823 3188
International: +61 2 8823 3188



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Sub-Register	CHESS
HIN / SRN	

being a Shareholder of the Company and entitled to vote at the Annual General Meeting, hereby appoint¹

or failing such appointment, or if your named appointment fails to attend the Annual General Meeting, the Chairman of the Annual General Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Level 5, 56 Pitt Street, Sydney, New South Wales, 2000 11.00am (AEDT) on Friday, 11 November 2016 and at any adjournment thereof in the manner indicated below or, in the absence of such directions, as he thinks fit. If no directions are given, the chairman will vote for all Resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice of Meeting as follows:

	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Alvin Tan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of issue of Shares to Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of issue of Shares and Options to Eligible Persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Ratification of issue of Options to Brokers and Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of Shares to Related Party – Mr Domenic Martino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Issue of Shares to Related Party – Lightglow Enterprises Pty Ltd ATF the Paloma Investments Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Issue of Options to Tamarind Management Sdn Bhd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolution 1 even though Resolution 1 is connected with the remuneration of a member of key management personnel for the Company.

Please note that the Chairman intends to vote all undirected proxies in favour of the Resolutions being passed.

Authorised signature/s

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

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of proxy

Proxy Notes

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies (an additional Proxy Form will be supplied by the Company on request). Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the meeting must produce the appropriate Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

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

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

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the registered office of the Company Level 5, 56 Pitt Street, Sydney, New South Wales, 2000, Facsimile (02) 8823 3188 if faxed from within Australia or +61 2 8823 3188 if faxed from outside Australia) no later than 11.00am (AEDT), on Wednesday, 9 November 2016.