

**NEW AGE EXPLORATION LIMITED**  
**ABN 65 004 749 508**

**NOTICE OF 2016 ANNUAL GENERAL MEETING**

Notice is given that the 2016 Annual General Meeting of New Age Exploration Limited ("the Company" or "New Age Exploration") will be held at the Institute of Chartered Accountants, Level 18, 600 Bourke Street, Melbourne, 3000 on Tuesday 29 November 2016 at 10.00am (AEDT).

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice of Annual General Meeting.

**BUSINESS**

**2016 Annual Financial Statements**

To receive and consider the Annual Financial report of the Company for the financial year ended 30 June 2016 together with the Declaration of the Directors, the Directors' report, the Remuneration report and the Auditor's report.

**Resolution 1 – Adoption of Remuneration Report**

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

*"THAT the Company approves the adoption of the Remuneration Report for the year ended 30 June 2016".*

**Voting Prohibition Statement Note**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above (a "**Restricted Voter**") may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the Restricted Voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution 2 – Re-election of Director – Mr Michael Amundsen**

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

*"THAT Mr Michael Amundsen, being a Director of the Company since re-election on 21 November 2014, who will retire at the close of the meeting in accordance with article 6.3(b) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director of the Company."*

**Resolution 3 – Ratification of prior issue of placement shares**

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

*"THAT for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 15,700,000 ordinary shares at a price of 1.5 cents (\$0.015) per share and 925,914 ordinary shares at an issue price of 0.99 cents (\$0.0099) per share made to Resource Capital Fund V L.P. on 5 July 2016 as described in the Explanatory Memorandum which accompanied and form part of the Notice of General Meeting."*

A voting exclusion statement in respect of this Resolution is set out below.

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) a person who participated in the issue; and
- (b) an associate of those persons.

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

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

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**Resolution 4 – Approval for issue of shares**

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

*“THAT, for the purposes of Listing Rule 7.1, shareholders approve the issue of up to 6,720,000 fully paid ordinary shares to Resource Capital Fund V L.P. (who are not related parties of the Company) at an issue price of \$0.015 (1.5 cents) per share as described in the Explanatory memorandum which accompanies and forms part of this Notice of Annual General Meeting.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
- (b) any associates of those persons.

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

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

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**Resolution 5 – Approval of Placement Facility**

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

*“THAT, for the purposes of Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under Listing Rule 7.1A at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company's ordinary shares calculated over the last fifteen (15) days on which trades of the Company's ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date the issue is made as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting.”*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- (a) any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
- (b) any associates of those persons.

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


- (c) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) 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 – Change of Auditor

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

*“That, for the purposes of section 327B(1)(b) of the Corporations Act, RSM Australia Partners, having consented to act in accordance with section 328A of the Corporations Act, be appointed as auditor of the Company with effect from the end of this meeting, subject to the Australian Securities and Investments Commission giving its consent to the resignation of the current auditor, DFK Kidsons.*

By the order of the Board

A handwritten signature in blue ink, appearing to read 'Adrien Wing', is written over a horizontal line.

Mr Adrien Wing  
Company Secretary

Dated: 10 October 2016

The accompanying Explanatory Memorandum and the Proxy Form and Voting Instructions form part of this Notice of Meeting.

## PROXY AND VOTING INSTRUCTIONS

### Proxy Instructions

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A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (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 lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on 03 8610 6334 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy. In that case, your shares will not be voted on Resolution 1 (Remuneration Report) unless you direct the Chair how to vote by marking the appropriate box on the proxy form or otherwise indicate your express consent to the Chair voting your votes on Resolution 1.

### Corporate Representatives

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Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Voting Entitlement

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For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 5.00pm, on 28 November 2016 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### How the Chair Will Vote Undirected Proxies

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The Chair of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions. However, any undirected proxies held by the Chair of the meeting will not be voted on Resolution 1 unless the express consent of the shareholder is given in the proxy appointment.

### Proxies that are Undirected on Resolution 1

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If you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and do not either (a) direct the Chair how to vote on Resolution 1 or (b) provide your express consent to the Chair voting your undirected proxy on Resolution 1; the Chair will not vote your proxy on those items of business. Accordingly, if you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and you want your shares to be voted on that item of business, you should either (a) direct the Chair how to vote on Resolution 1 (Remuneration Report); or (b) tick the box on the proxy form to confirm your consent to the Chair voting your undirected proxy on Resolution 1.

Other directors of the Company, any other of its key management personnel or any of their closely related parties will not be able to vote undirected proxies held by them on Resolution 1. Key management personnel of the Company comprise the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Remuneration Report identifies key management personnel for the year ending 30 June 2016. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

### Special Resolution

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For a special resolution to be passed at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 5 is a special resolution

**NEW AGE EXPLORATION LIMITED**  
**ABN 65 004 749 508**  
("the Company")

**2016 ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum ("this Memorandum") accompanies and forms part of the Company's Notice of the 2016 Annual General Meeting to be held at the Institute of Chartered Accountants, Level 18, 600 Bourke Street, Melbourne, 3000 on Tuesday 29 November 2016 at 10.00am (Melbourne, Victoria time). The Notice of 2016 Annual General Meeting incorporates, and should be read together with, this Memorandum.

**2016 Annual Financial Statements**

The 2016 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2016 will be laid before the meeting. There is no requirement for shareholders to approve the Annual Financial Statements. However, shareholders will have the opportunity to ask questions about or make comments on the 2016 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2016 Annual Financial Statements.

The Company's 2016 Annual Financial Statements are set out in the Company's 2016 Annual Report which can be obtained from the Company's website, [www.nae.net.au](http://www.nae.net.au), or upon request to the Secretary at the Company's registered office, Level 3, 480 Collins Street, Melbourne, Victoria, 3000 (telephone (03) 8610 6494).

**Resolution 1 – Adoption of Remuneration Report**

The Company is required, pursuant to the Corporations Act 2001, to propose a non-binding resolution regarding the Remuneration Report, which forms part of the Directors' Report in the Annual Financial Statements. The Remuneration Report sets out the Company's remuneration arrangements for directors.

Shareholders attending the 2016 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report. In addition, shareholders will be asked to vote on the Remuneration Report.

This resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings ("AGMs"), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2015 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2017 Annual General Meeting the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration the Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to carefully read the Proxy Form.

**Resolution 2 – Re-Election of Director - Mr Michael Amundsen**

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has three directors, one of whom is the Managing Director. Accordingly, one director is required to retire by rotation at the 2016 Annual General Meeting.

Additionally, under ASX Listing Rule 14.4, a director must not hold office without re-election past the third Annual General meeting following the Director's appointment, or three years whichever is longer. A Director who retires in accordance with these provisions is eligible for re-election.

Accordingly, Mr Michael Amundsen, who was last re-elected at the Company's 2014 Annual General Meeting, retires by rotation and, being eligible, offers himself for re-election.

The non-candidate directors unanimously support the re-election of Mr Michael Amundsen.

### **Resolution 3 – Ratification of prior issue of placement shares**

Resolution 3 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 16,625,914 fully paid ordinary shares to Resource Capital Fund V L.P. The Placement was completed on 5 July 2016, as described in the Company's Appendix 3B dated 5 July 2016.

16,625,914 shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval;

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The total number of shares issued was 16,625,914 fully paid ordinary shares in the Company.
- (b) The price at which the shares were issued was 1.5 cents (\$0.015) (15,700,000 shares) and 0.99 cents (\$0.0099) (925,914 shares).
- (c) The shares have the same terms and rights as, and rank equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued to Resource Capital Fund V L.P. who is not a related party of the Company.
- (e) Funds raised by the issue of shares will be applied to the development of the Company's existing projects and specifically the Lochinvar project and working capital.
- (f) A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

### **Resolution 4 – Approval for issue of shares**

This Resolution 4 is proposed to obtain shareholder approval for the issue of up to 6,720,000 fully paid ordinary shares to Resource Capital Fund V L.P. (RCF) which is not related parties of the Company. The shares are to be issued pursuant to the terms of the binding funding facility, as announced on 18 May 2015.

The issue of shares relates to the RCF unsecured loan balance of US \$77,616.05 (AUD \$100,800.06) at an issue price of \$0.015 per share.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

- (a) The maximum number of securities to be issued will be up to 6,720,000 fully paid ordinary shares;

- (b) The shares will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission);
- (c) The issue price of the securities will be AUD \$0.015 (1.5 cents) per ordinary share;
- (d) The securities will be issued and allotted to Resource Capital Fund V L.P. which is not a related party of the Company;
- (e) The securities will rank equally with the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares issued for quotation on ASX; and
- (f) Funds raised by the issue of the securities will be applied to the Company's working capital requirements at the time of issue.

#### **Resolution 5 – Approval of Placement Facility**

Under ASX Listing Rule 7.1A, certain companies may seek shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities which do not exceed 10% of the existing ordinary share capital without further shareholder approval.

The Company obtained shareholder approval for the issue of ordinary shares under Listing Rule 7.1A at its 2015 Annual General Meeting and seeks to refresh this shareholder approval so as to continue to be able to issue ordinary shares under Listing Rule 7.1A following the 2016 Annual General Meeting.

If Resolution 5 is approved, the Company may make an issue of ordinary shares under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- the date which is 12 months after the date of the 2016 Annual General Meeting; or
- the date on which shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

Accordingly, the approval given if this Resolution 5 is passed will cease to be valid on the earlier of 29 November 2017 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 or 11.2.

At the date of this Memorandum, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Annual General Meeting the Company is no longer an eligible entity, this Resolution will be withdrawn.

The maximum number of ordinary shares which may be issued in the capital of the Company under the approval sought by this Resolution 5 will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$(A \times D) - E$

where:

- A is the number of shares on issue 12 months before the date of issue or agreement to issue:
  - (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
  - (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval);
  - (iv) less the number of fully paid shares cancelled in the 12 months.
- 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 Rule 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of Resolution 5 will be to allow the Company to issue ordinary shares under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at the date of this Memorandum, the Company has on issue 360,123,997 ordinary shares and therefore has capacity to issue:

- 54,018,599 equity securities under Listing Rule 7.1 (15% capacity); and
- subject to shareholder approval being sought under Resolution 5, 36,012,399 ordinary shares under Listing Rule 7.1A (10% capacity).

The actual number of shares which may be issued under Listing Rule 7.1A (and Listing Rule 7.1) will be a function of the number of shares on issue at the time an issue is proposed as calculated per the formula set out above.

The issue price of the ordinary shares issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the ordinary shares the subject of this Resolution 7 will be issued is 75% of the volume weighted average market (closing) price ("VWAP") of the Company's ordinary shares over the 15 days on which trades in that class were recorded immediately before either:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 ASX trading days of the date in paragraph (a), the date on which the securities are issued.

If this Resolution is approved, and the Company issues ordinary shares under Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- the market price for the Company's ordinary shares may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- the ordinary shares issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to market price for the Company's ordinary shares on the issue date

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing shareholders on the basis of:

- The current market price of the Company's ordinary shares and the current number of ordinary securities as at the date of this Memorandum.
- Two examples where the number of ordinary shares on issue ("A" in the formula set out above) has increased by: (1) 54,018,599 (being 15% of the number of ordinary shares on issue in the Company); and (2) 100% (i.e a doubling of the number of ordinary shares on issue in the Company). The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future placements under Listing Rule 7.1 that are approved by shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at the date of this Memorandum.

			Dilution		
			50% decrease in issue price (\$0.0065)	Issue Price ** (\$0.013)	50% increase in issue price (\$0.026)
Variable "A" Listing Rule 7.1A.2	"A" is the current number of shares on issue, being 360,123,997 shares	10% voting dilution	36,012,399 shares	36,012,399 shares	36,012,399 shares
		Funds raised	\$234,080	\$468,161	\$936,322
	"A" is increased by 54,018,599 shares resulting in a total of 540,185,995 shares*	10% voting dilution	54,018,599 shares	54,018,599 shares	54,018,599 shares



			Dilution		
			50% decrease in issue price (\$0.0065)	Issue Price ** (\$0.013)	50% increase in issue price (\$0.026)
		<b>Funds raised</b>	\$351,120	\$702,241	\$1,404,483
	<b>"A" is increased by 100% (i.e. number of shares on issue is doubled from current position) to 720,247,994 shares *</b>	<b>10% voting dilution</b>	72,024,799 shares	72,024,799 shares	72,024,799 shares
		<b>Funds raised</b>	\$468,161	\$936,322	\$1,872,644

**Notes:**

- (i) The table assumes that the Company issues the maximum number of ordinary shares available under Listing Rule 7.1A.
- (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of ordinary shares under Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular shareholder by reason of issues of ordinary shares under Listing Rule 7.1A based on that shareholder's holding at the date of this Memorandum.
- (iv) The table shows the effect of an issue of ordinary shares under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.

\* Any issue of ordinary shares is required to be made in accordance with the ASX Listing Rules. An issue made other than under the Company 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require shareholder approval.

\*\* Based on closing price of the Company's shares on ASX on 6 October 2016 (0.013 cents).

If this Resolution is approved, the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Memorandum, the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the ordinary shares which will be determined at the time of issue. In some circumstances, the Company may issue ordinary shares under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, contractors or vendors). While the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A, some of the purposes for which the Company may issue ordinary shares under Listing Rule 7.1A include (but are not limited to):

- Raising funds to be applied to the Company's working capital requirements.
- Acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue the ordinary shares for the purpose of acquiring assets, then the Company will release to the market a valuation of the assets prior to issuing the shares.
- Paying contractors or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of ordinary shares under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- the potential effect on the control of the Company;
- the Company's financial situation and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing shareholders of the Company, clients of Australian Financial Service License holders and/or their nominees, or any other person to whom the Company is able to make an offer of ordinary shares.

The allocation policy the Company may adopt for a particular issue of ordinary shares under Listing Rule 7.1A and the terms on which those ordinary shares may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the ASX Listing Rules and the Corporations Act, the Directors reserve the right to determine, at the time of any issue of ordinary shares under Listing Rule 7.1A, the allocation policy the Company will adopt for that issue.

The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2015 AGM. During the 12 month period preceding the proposed date of the 2016 AGM, being on and from 29 November 2015, the Company issued a total of 32,446,560 equity securities (call ordinary shares) which represents approximately 9.9% of the total number of equity securities on issue in the Company as at 29 November 2015.

Further details of the issues of equity securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

The Directors of the Company believe that Resolution 5 is in the best interest of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

## **Resolution 6 – Change of Auditor**

The Company has reviewed the audit services provided to the Company, including the tenure of the current Auditor. A number of proposals from Tier 1 and Tier 2 audit firms were received by the Company. After due consideration, the Board recommends that, subject to the satisfaction of all necessary regulatory approvals under the Corporations Act, RSM Bird Cameron Partners be appointed as the new auditors for the Company with effect from the end of the Meeting.

It is the view of the Board that the RSM Bird Cameron Partners audit proposal represents better value to the Company and its shareholders.

### **1. Resignation of current auditor**

The Company's current auditor, DFK Kidsons has given notice to the Board of its intention to resign as auditor of the Company.

Section 329(5) of the Corporations Act provides that an auditor of a company may, by giving notice in writing to the company, resign as an auditor of the company if:

- (a) the auditor has, by notice in writing given to ASIC, applied for consent to the resignation and stated the reasons for the application and, at or about the same time as the notice was given to ASIC, notified the company in writing of the application to ASIC; and
- (b) the consent of ASIC has been given.

DFK Kidsons has notified the Company that it has applied to ASIC for its consent to the resignation of DFK Kidsons as auditor of the Company. DFK Kidsons confirm that its application to ASIC indicated DFK Kidsons wish that its resignation takes effect upon the close of the Meeting.

Subject to ASIC granting its approval under section 329 of the Corporations Act, the resignation of DFK Kidsons as the auditor of the Company will take effect from the close of the Meeting.

### **2. Appointment of new auditor**

Section 327B of the Corporations Act provides that a public company must appoint an auditor of the company to fill any vacancy in the office of auditor at a general meeting. Accordingly, upon DFK Kidsons resignation, it will be necessary for the Company to appoint a new auditor.

However, section 328B of the Corporations Act provides that a company may only appoint a firm as auditor of the company at a general meeting if a member of the company gives the company written notice of the nomination of the firm for appointment as auditor:

- (a) before the meeting was convened; or
- (b) not less than 21 days before the meeting.

A copy of that nomination must be sent to RSM Australia Partners, DFK Kidsons and to each person entitled to receive notice of general meetings of the Company not less than 7 days before the meeting or at the time notice of the meeting is given.

A copy of the nomination of RSM Australia Partners by Gary Fietz, a shareholder of the Company, is included as Annexure A to this Explanatory Memorandum. A copy of this nomination has been or will be provided to RSM Australia Partners and DFK Kidsons.

In addition, section 328A of the Corporations Act provides that a company must not appoint a firm as auditor of the company unless the firm has consented to act as auditor before the appointment and has not withdrawn that consent before the appointment. RSM Australia Partners has provided the Company with a consent that complies with section 328A of the Corporations Act and, as at the date of this notice of meeting and explanatory statement, has not withdrawn that consent.

### **3. Resolution 6**

Resolution 6 requests shareholders to approve the appointment of RSM Australia Partners as the auditor of the Company effective from the close of the Meeting, subject to ASIC giving its consent to the resignation of the current auditor, DFK Kidsons

The Board unanimously recommends the appointment of RSM Australia Partners as auditor of the Company and for shareholders to vote in favour of Resolution 6.

#### **NOTE:**

Unless otherwise specified, all monetary amounts are expressed in Australian dollars.

# SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 25 NOVEMBER 2015

Date <sup>1</sup>	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>2</sup>	Form of consideration
5 July 2016	16,625,914	Ordinary fully paid shares	Resource Capital Fund V L.P.	1.5 cents (\$0.015) representing a 200% premium to market)	For Cash only Amount raised: \$216,412 Amount spent = \$216,412 Use of funds Issued for working capital purposes. Amount remaining = Nil
7 December 2015	15,820,646	Ordinary fully paid shares	Resource Capital Fund V L.P.	1.5 cents (\$0.015) representing a 200% premium to market)	For Cash only Amount raised: \$237,309 Amount spent: \$237,309 Use of funds Issued for working capital purposes. Amount remaining = Nil

## Notes:

1. This is the date the Appendix 3B was announced to ASX. The date of issue may be different. Refer to Item 7 of the relevant Appendix 3B for the specific date of issue.
2. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table, the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: NAE (terms are set out in the Constitution).

NEW AGE EXPLORATION LIMITED

ABN 65 004 749 508

("the Company")

PROXY FORM

Full name of securityholder(s): .....

Address: .....

I/We being a member/s of New Age Exploration Limited ("Company") and entitled to attend and vote at the meeting of the Company to be held at the Institute of Chartered Accountants, Level 18, 600 Bourke Street, Melbourne, 3000 on 29 November 2016 at 10.00am (AEDT) appoint:

☐

(mark box) the Chair of the meeting

OR

☐

(mark box) .....

(Full name of proxy or the office of the proxy)

or if the person or body corporate named above fails to attend the meeting, or if no person/body corporate is named, the Chair of the meeting as my/our proxy to attend that meeting and vote on my/our behalf at that meeting and any adjournment or postponement of that meeting in accordance with the following directions (or if no directions have been given, as the proxy sees fit). If two proxies are appointed, the proportion of voting rights this proxy represents is .....%.

**IMPORTANT: Directing the Chair how to vote on Resolution 1 Only**

☐

If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair of the meeting as your proxy you can direct the Chair how to vote on Resolution 1 by either marking the relevant boxes below (for example if you wish to vote "against" or "abstain" from voting) or by marking this box (in which case the Chair will vote in favour of Resolution 1). The Chair intends to vote all available proxies in favour of Resolution 1.

**I/We (except where I/we have indicated a different voting intention below):**

- direct the Chair of the meeting to vote in accordance with the Chair's voting intentions on Resolution 1 to vote in favour of these Resolutions.
- authorise, in respect of Resolution 1, the Chair of the meeting to vote as described even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel for the Company group; and
- acknowledge that the Chair of the meeting may exercise your proxy in respect of Resolution 1 even though the Chair has an interest in the outcome of that Resolution and that votes cast by the Chair of the meeting for that Resolution, other than as proxy holder, will be disregarded because of that interest.

**VOTING DIRECTIONS FOR YOUR PROXY**

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

**The Chair intends to vote undirected proxies in favour of all resolutions in which the Chair is entitled to vote.**

I/We direct my/our proxy to vote as indicated below:

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Michael Amundsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>If a person:</b>  Name (print) _____  (Signature) _____  Date: ____/____/____	<b>If a company:</b>  EXECUTED by: _____ Name of company (print) in accordance with the Corporations Act  (Signature) _____ (Signature) _____  Date: ____/____/____
--	---

This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at:

- Level 3, 480 Collins Street, Melbourne VIC 3000; or
- by facsimile on 03 8610 6334 by 10.00am (AEDT) on 27 November 2016, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.

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## **ANNEXURE A**

7 October 2016

The Directors  
New Age Exploration Limited  
Level 3, 480 Collins Street  
Melbourne VIC 3000

### **Nomination of RSM Australia Partners**

I, Gary Fietz, being a Director of New Age Exploration Limited (ACN 004 749 508), pursuant to Section 328B(1) of the Corporations Act 2001, hereby nominate RSM Australia Partners for appointment as Auditors of the company at the next Annual General Meeting to be held on 29 November 2016 or at any adjournment thereof, subject to the resignation of DFK Kidsons.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G. L. Fietz'.

Gary Fietz  
Director

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