
PARAMOUNT MINING CORPORATION LIMITED

ACN 102 426 175

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

TIME: 10.30am (WST)

DATE: Monday, 21 March 2016

PLACE: State Tennis Centre
Victoria Park Drive
Burswood
Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary, Garry Taylor, on +65 9655 5840 or e-mail garry.taylor@paramountmining.com

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30 am (WST) on Monday, 21 March 2016 at:

State Tennis Centre, Victoria Park Drive, Burswood, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, please 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 enclosed Proxy Form and return by:

- (a) post to Paramount Mining Corporation Limited, 44 Kings Park Road, West Perth, Western Australia 6005; or
- (b) facsimile to the Company on facsimile number (+65) 6835 7868,
- (c) email to info@paramountmining.com

so that it is received not later than 10.30 am (WST) on Saturday, 19 March 2016.

The Chairman intends to vote available undirected proxies in favour of all Resolutions.

Proxy Forms received later than this time will be invalid.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

Important Information with Respect to Resolutions 1 and 6 to 10 (inclusive):

Shareholders appointing a proxy for Resolutions 1 and 6 to 10 (inclusive) should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, *you must direct the proxy how they are to vote*. Undirected proxies granted to those persons will not be included in any vote on this Resolution (subject to the comments below with respect to appointing the Chair as your proxy).

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you *do not* need to direct the Chair how you wish them to exercise your vote on Resolutions 1 and 6 to 10 (inclusive). If the appointment expressly authorises the Chair to exercise their discretion in exercising your proxy even though Resolutions 1 and 6 to 10 (inclusive) are connected directly or indirectly with the remuneration of Key Management Personnel. The proxy form accompanying this Notice of Meeting contains such an express authorisation.

The Chair of the Annual General Meeting intends to vote all available proxies in favour of all items of business (including Resolutions 1 and 6 to 10 (inclusive)).

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10.30 am (WST) on Monday, 17 March 2016 at the State Tennis Centre, Victoria Park Drive, Burswood, Western Australia.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 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 Resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2015."

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

- (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, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy as proxy and the proxy form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) it is cast by the person chairing the meeting voting an undirected proxy and their appointment expressly authorises the person chairing the meeting to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

RESOLUTION 2 RE-ELECTION OF MR JOHN ARBUCKLE

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

"That Mr John Arbuckle, a Director who retires by rotation in accordance with clause 11.3 of the Constitution, and being eligible, is re-elected as a Director."

There are no voting exclusions in relation to this Resolution.

**RESOLUTION 3 ISSUE OF SHARES TO ZURILY RESOURCES AND TRADING LTD AS
CONSIDERATION FOR THE RENEGOTIATION OF THE ZRT LOAN FACILITY**

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 Shares to Zurily Resources and Trading Ltd or its nominee as consideration for renegotiating the repayment terms of the ZRT Loan Facility, on the terms and conditions set out in the Explanatory Statement."

Voting exclusions apply to this Resolution. See below.

**RESOLUTION 4 ISSUE OF SHARES TO BUNGARRA RESOURCES LTD AS
CONSIDERATION FOR THE RENEGOTIATION OF THE BRL LOAN FACILITY**

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 15,000,000 Shares to Bungarra Resources Ltd or its nominee as consideration for the renegotiating the repayment terms of the BRL Loan Facility, on the terms and conditions set out in the Explanatory Statement."

Voting exclusions apply to this Resolution. See below

Voting Exclusion statement for Resolutions 3 - 4 (inclusive):

The Company will disregard any votes cast on Resolutions 3 to 4 (inclusive) respectively by a 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 if that Resolution is passed, and any of their respective associates. However, the Company will not disregard a vote if:

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

**RESOLUTION 5 ISSUE OF SHARES TO R & K GLOBAL FINANCE LTD AS CONSIDERATION
FOR THE RENEGOTIATION OF THE R&K LOAN FACILITY**

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 12,000,000 Shares to R & K Global Finance Ltd or its nominee as consideration for entering into the R&K Loan Facility, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by R & K Global Finance Ltd and any of its associates. However, the Company will not disregard a vote if:

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

**RESOLUTION 6 ISSUE OF SHARES TO MR MOHAMMED MUNSHI IN RECOGNITION OF
FINANCE RAISED FOR GUNUNG ROSA PROJECT**

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

“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 40,000,000 Shares to Mr Mohammed Munshi or his nominee, to recognise the role played by Mr Munshi in securing finance for the Company’s Gunung Rosa Project, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusions apply to this Resolution. See below.

**RESOLUTION 7 ISSUE OF SHARES TO MR MOHAMMED MUNSHI IN LIEU OF CASH
REMUNERATION**

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

“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 19,907,000 Shares to Mr Mohammed Munshi or his nominee in lieu of cash payment as remuneration for his role as Chairman and for providing consultancy services to the Company, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusions apply to this Resolution. See below.

**RESOLUTION 8 ISSUE OF SHARES TO MR DANIEL POLLER IN LIEU OF CASH
REMUNERATION**

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

“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,565,500 Shares to Mr Daniel Poller or his nominee in lieu of cash payment as part remuneration for his role as Chief Executive Officer and Managing Director, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusions apply to this Resolution. See below.

Voting Exclusion statement for Resolutions 6 - 8 (inclusive):

The Company will disregard any votes cast on Resolutions 6 to 8 (inclusive) respectively by a person who may participate in the issue (being Mr Munshi for Resolution 6 and Resolution 7, and Mr Poller for Resolution 8) and any of their respective associates (as applicable). However, the Company will not disregard a vote if:

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

The Company will also disregard any votes cast on Resolutions 6 to 8 (inclusive) by a member of the KMP or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the person chairing the meeting as proxy appointed in writing where the appointment expressly authorises the person chairing the meeting to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the KMP, will not be excluded.

RESOLUTION 9 ISSUE OF SHARES TO CONSULTANTS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 11,000,000 Shares to the parties and on the terms and conditions set out in the Explanatory Statement.”

The Company will disregard any votes cast on Resolutions 9 by a 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 if that Resolution is passed, and any of their respective associates. However, the Company will not disregard a vote if:

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

RESOLUTION 10 ISSUE OF SHARES TO MR GARRY TAYLOR

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,000,000 Shares to Mr Garry Taylor or his nominee on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 10 by a person who may participate in the issue (being Mr Garry Taylor or his nominee) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if that Resolution is passed, and any of their respective associates. However, the Company will not disregard a vote if:

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

The Company will also disregard any votes cast on Resolution 10 by a member of the KMP or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the person chairing the meeting as proxy appointed in writing where the appointment expressly authorises the person chairing the meeting to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the KMP, will not be excluded.

RESOLUTION 11 APPROVAL OF PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of Listing Rule 7.2 exception 9(b) and for all other purposes, Shareholders approve the Company’s Performance Rights Plan, a summary of the terms and conditions of which are set out in the Schedule 2 to the Explanatory Statement, and the issue of securities thereunder, until the date which is the 3 year anniversary from the date of passing this resolution, as an exception to Listing Rule 7.1.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with that Director.

However, the Company will not disregard a vote if:

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

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

The Company will also disregard any votes cast on Resolution 11 by a member of the KMP or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the person chairing the meeting as proxy appointed in writing where the appointment expressly authorises the person chairing the meeting to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the KMP, will not be excluded.

RESOLUTION 12 CAPITAL RAISING TO RAISE UP TO \$500,000

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Shares to raise up to \$500,000, within 3 months of the date of this Resolution, and authorise the directors to enter into an agreement or agreements for this purpose, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any of their respective associates (to the extent that those persons are known and identified by the Company at the time of the Annual General Meeting). However, the Company will not disregard a vote if:

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

RESOLUTION 13 APPROVAL OF 10% PLACEMENT FACILITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue, within 12 months of the date of this Resolution, of Equity Securities of up to 10% of the Company’s issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of Equity Securities and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any of their respective associates (to the extent that those persons are known and identified by the Company at the time of the Annual General Meeting). However, the Company will not disregard a vote if:

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

RESOLUTION 14 APPROVAL TO CHANGE NATURE AND SCALE OF ACTIVITIES

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

“That, for the purposes of Listing Rule 11.1.2 and for all other purposes, Shareholders approve the Company making a significant change to the nature and scale of its activities by distributing its 85% interest in Paramindo Singapore Pte Ltd through an in-specie distribution of all the shares the Company holds, or will hold, in Paramindo Singapore Pte Ltd to existing Shareholders (via a dividend), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any of their respective associates. However, the Company will not disregard a vote if:

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

RESOLUTION 15 APPROVAL TO DISPOSE OF MAJOR ASSET

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

“That, for the purposes of Listing Rule 11.4 and for all other purposes, Shareholders approve the Company disposing of a major asset by distributing its 85% interest in Paramindo Singapore Pte Ltd through an in-specie distribution of all the shares the Company holds, or will hold, in Paramindo Singapore Pte Ltd to existing Shareholders (via a dividend), without the Company making an offer to Shareholders which satisfies Listing Rule 11.4.1(a), on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any of their respective associates. However, the Company will not disregard a vote if:

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

RESOLUTION 16 APPROVAL OF AMENDMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act, and for all other purposes, the Company amend the Constitution as described below with effect from the close of the Annual General Meeting:

- (a) *Amending rule 17.1 by deleting the words “out of profits”, such that rule 17.1 shall now read:*
 - 17.1 Subject to the rights of persons (if any) entitled of shares with special rights to dividend, the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Members of such a dividend.*

DATED: 15 FEBRUARY 2016
BY ORDER OF THE BOARD
GARRY TAYLOR
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.30 am (WST) on Monday, 21 March 2016 at the State Tennis Centre, Victoria Park Drive, Burswood, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company's annual financial report on its website at www.paramountmining.com.

RESOLUTION 1 ADOPTION OF REMUNERATION REPORT

General

The Corporations Act requires that at a listed company's annual general meeting, a Resolution that the remuneration report be adopted must be put to the Shareholders. However, such a Resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2015.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Voting Consequences

If at least 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the Remuneration Report for two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of another general meeting within 90 days, at which all of the Company's Directors (other than the Managing Director) must go up for re-election ("Spill Resolution").

At the Company's 2014 annual general meeting the votes cast against the Remuneration Report considered at that annual general meeting were less than 25% of total votes cast. Accordingly, the Spill Resolution is not a relevant consideration for this Annual General Meeting.

RESOLUTION 2 RE-ELECTION OF MR JOHN ARBUCKLE

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Mr John Arbuckle retires by rotation and seeks re-election as a director.

Details of Mr Arbuckle's experience and background follow:

Mr John Arbuckle, BBus CPA

Independent, Non-Executive Director, appointed October 2011

Mr Arbuckle is a qualified accountant with extensive experience in the mining industry in Australia and overseas. Currently, he is a Director of Maybach Consulting Pty Ltd which provides specialist corporate advisory services to both listed and unlisted companies.

Mr Arbuckle's previous positions have included Chief Financial Officer and Company Secretary of Mount Gibson Iron Ltd and Chief Financial Officer of Perilya Ltd, where he guided the companies through difficult start-up phases. Prior to this he held senior financial management roles with Rio Tinto Ltd, North Ltd and Anaconda Nickel Ltd. He has considerable experience in developing financial and risk-management strategies for mining companies and the implementation of accounting controls and systems.

Mr Arbuckle is a Non-Executive Director of Prosperity Resources Ltd.

Special Responsibilities

Chair, Remuneration and Nomination Committee

Member, Audit and Risk Management Committee

Interests in Company securities

1,581,000 Shares

2,000,000 Performance Rights

Each of the Directors (other than Mr Arbuckle) recommends that Shareholders vote in favour of Resolution 2.

BACKGROUND FOR RESOLUTIONS 3 AND 4 (INCLUSIVE)

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue Equity Securities in any 12 month period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity Securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The Company is seeking Shareholder approval to the issue of Shares the subject of Resolutions 3 to 4 (inclusive) for the purposes of Listing Rule 7.1, so these Shares will not be counted towards the 15% limit.

RESOLUTION 3 ISSUE OF SHARES TO ZURILY RESOURCES AND TRADING LTD AS CONSIDERATION FOR THE RENEGOTIATION OF THE ZRT LOAN FACILITY

Resolution 3 seeks Shareholder approval for the issue of 10,000,000 Shares to Zurily Resources and Trading Ltd or its nominee for the purposes of Listing Rule 7.1.

The Directors resolved (subject to obtaining Shareholder approval) to issue the Shares the subject of this Resolution to Zurily Resources and Trading Ltd or its nominee as consideration for the renegotiation of repayment terms of the ZRT Loan Facility.

The following information is provided in accordance with Listing Rule 7.3:

1. A maximum of 10,000,000 Shares are to be issued.
2. The Shares the subject of this Resolution will be issued as consideration for the renegotiation by Zurily Resources and Trading Ltd of the repayment terms of the ZRT Loan Facility, at a nil issue price.
3. The Shares will be issued to Zurily Resources Ltd or its nominee, who are not related parties of the Company.

4. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
5. No funds will be raised by the issue of the Shares the subject of this Resolution although the Company's liability to Zurily Resources Ltd under the terms of the extension of the ZRT Loan Facility will be satisfied by the issue.
6. The Company intends to issue the Shares in one lot within 5 days of the date of this Annual General Meeting, but in any case within 3 months of the date of this Annual General Meeting.

A voting exclusion statement is set out in the Notice of Meeting. The Directors recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 ISSUE OF SHARES TO BUNGARRA RESOURCES LTD AS CONSIDERATION FOR THE RENEGOTIATION OF THE BRL LOAN FACILITY

Resolution 4 seeks Shareholder approval for the issue of 15,000,000 Shares to Bungarra Resources Ltd or its nominee for the purposes of Listing Rule 7.1.

The Directors resolved (subject to obtaining Shareholder approval) to issue the Shares the subject of this Resolution to Bungarra Resources Ltd or its nominee as consideration for the execution and subsequent renegotiations of the BRL Loan Facility.

The following information is provided in accordance with Listing Rule 7.3:

1. A maximum of 15,000,000 Shares are to be issued.
2. The Shares the subject of this Resolution will be issued as consideration for the renegotiation of the repayment terms by Bungarra Resources Ltd of the BRL Loan Facility, at a nil issue price.
3. The Shares will be issued to Bungarra Resources Ltd or its nominee, who are not related parties of the Company.
4. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
5. No funds will be raised by the issue of the Shares the subject of this Resolution although the Company's liability to Bungarra Resources Ltd under the terms of the BRL Loan Facility will be satisfied by the issue.
6. The Company intends to issue the Shares in one lot within 5 days of the date of this Annual General Meeting, but in any case within 3 months of the date of this Annual General Meeting.

A voting exclusion statement is set out in the Notice of Meeting. The Directors recommend that Shareholders vote in favour of Resolution 4.

RESOLUTION 5 ISSUE OF SHARES TO R & K GLOBAL FINANCE LTD AS CONSIDERATION FOR ENTERING INTO THE R & K LOAN FACILITY

Resolution 5 seeks Shareholder approval for the issue of 12,000,000 Shares to R & K Global Finance Ltd or its nominee for the purposes of Listing Rule 10.11.

The Directors resolved (subject to obtaining Shareholder approval) to issue the Shares the subject of this Resolution to R & K Global Finance Ltd or its nominee as consideration for the renegotiation of the R & K Loan Facility.

R & K Global Finance Ltd is a company controlled by Mr Mohammed Munshi (a Director of the Company), and is therefore a related party of the Company. Accordingly, the Shares cannot be issued to R & K Global Finance Ltd in respect of the R & K Loan Facility without the prior approval of Shareholders for the purposes of Listing 10.11.

As the loan is unsecured, and as the fees payable to R & K Global Finance Ltd are commensurate with those paid to other lenders to the Company, the Directors (other than Mr Munshi) have determined that Shareholder approval will not also be required for the purposes of Chapter 2E of the Corporations Act

(giving a financial benefit to a related party) as the arm's length exception in section 210 of the Corporations Act applies.

Accordingly, Shareholder approval is not required for the purposes of section 208 of the Corporations Act, and this Resolution seeks Shareholder approval for the purposes of Listing Rule 10.11, for the issue of Shares to R & K Global Finance Ltd (or its nominee).

The following information is provided in accordance with Listing Rule 10.13:

1. The related party is R & K Global Finance Ltd which is a related party of the Company by virtue of being an entity that is controlled by a related party of the Company (namely, Mr Mohammed Munshi, a Director).
2. A maximum of 12,000,000 Shares are to be issued.
3. The Shares will be issued within 1 month of this Annual General Meeting.
4. R & K Global Finance Ltd is a company controlled by Mr Mohammed Munshi (a Director of the Company), and is therefore a related party of the Company.
5. The Shares will be issued for nil consideration as they are being issued as consideration for the renegotiation of the R & K Loan Facility.
6. No funds will be raised by the issue of the Shares the subject of this Resolution although the Company's liability to R & K Global Finance Ltd under the terms of the R & K Loan Facility will be satisfied by the issue.
7. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
8. A voting exclusion statement is included in the Notice of Meeting.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the securities issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

The Directors (with the exception of Mr Mohammed Munshi) recommend that Shareholders vote in favour of Resolution 5.

EXPLANATORY NOTES FOR RESOLUTIONS 6 TO 8 (INCLUSIVE)

Section 208 of the Corporations Act provides that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

1. Obtain the approval the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
2. Give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of Shares to a director constitutes giving a financial benefit to a related party.

In addition, Listing Rule 10.11 also requires that Shareholder approval be obtained where an entity issues, or agrees to issue, Equity Securities to a related party (which includes a director of the Company), or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies. Shares are Equity Securities and the issue of Shares to a Director requires Shareholder approval under Listing Rule 10.11.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the securities issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and Listing Rule 10.12 do not apply in the circumstances relevant to resolutions 6 to 8 (inclusive).

RESOLUTION 6 ISSUE OF SHARES TO MR MOHAMMED MUNSHI IN RECOGNITION OF FINANCE FOR GUNUNG ROSA PROJECT

The Board has determined, subject to obtaining Shareholder approval, to issue 40,000,000 Shares to Mr Mohammed Munshi, or his nominee, on the terms and conditions set out below.

The primary purpose of the issue of Shares to Mr Munshi, or his nominee, is to recognise the important role Mr Munshi has played, and is expected to continue to play, in raising appropriate finance to support the Company's Gunung Rosa Project.

The Board (other than Mr Munshi) considered the extensive contribution, experience and reputation of Mr Munshi, and current market practices, when determining the value of Shares proposed to be issued.

The Board considers the grant of the Shares to Mr Munshi to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares on the terms proposed.

Accordingly Resolution 6 seeks Shareholder approval as follows:

- (a) for the purposes of Listing Rule 10.11, for the issue of the Shares; and
- (b) for the purposes of section 208 of the Corporations Act, for the issue of the Shares, which constitutes the giving of a financial benefit, to Mr Munshi or his nominee.

Listing Rule 10.11 - Shares

The following information is provided in accordance with Listing Rule 10.13:

- 1. The related party is Mr Munshi who is a related party of the Company by virtue of being a Director.
- 2. The maximum number of Shares to be issued pursuant to this Resolution is 40,000,000.
- 3. The Shares will be issued within 1 month of this Annual General Meeting.
- 4. The Shares will be issued for nil consideration.
- 5. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
- 6. No funds will be raised by the issue of Shares as the Shares are being issued in recognition of Mr Munshi's extensive contribution to securing finance for the Gunung Rosa Project.
- 7. A voting exclusion statement is included in the Notice of Meeting.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the securities issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Section 208 of the Corporations Act – Shares

The following information, in addition to the information contained in this Explanatory Statement and Schedule 1 is provided in accordance with section 219 of the Corporations Act:

- 1. Mr Munshi's current remuneration is set out at Schedule 1 to this Explanatory Statement.
- 2. The 40,000,000 Shares, the subject of this Resolution, to be issues to Mr Munshi have been valued by the Board at \$0.01 each, being the last price at which Shares traded on ASX before the finalisation of this Notice of Meeting. Based on this valuation, the total notional value of the Shares the subject of this resolution is \$400,000.
- 3. Mr Munshi's direct or indirect interest in securities in the Company is set out at Schedule 1 to this Explanatory Statement.
- 4. Assuming no other Shares are issued (other than those to be issued to Mr Munshi if Resolution 7 is passed), the maximum dilution that will be experienced by Shareholders as a result of the issue of Shares to Mr Munshi is set out at Schedule 1 to this Explanatory Statement.
- 5. Mr Munshi did not vote on any Board resolution in respect of the grant of securities the subject of this Resolution and declines to make a recommendation to Shareholders in relation to this Resolution due to his material personal interest in the outcome of the Resolution. The other Directors, who do

not have a material interest in the outcome of this Resolution, recommend that Shareholders vote in favour of the Resolution for the reasons set out in this Explanatory Statement. The Board (other than Mr Munshi) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

6. A voting exclusion statement is set out in the Notice of Meeting.

RESOLUTIONS 7 AND 8 ISSUE OF SHARES TO DIRECTORS IN LIEU OF CASH REMUNERATION

Resolutions 7 and 8 seek Shareholder approval to issue Shares to Mr Mohammed Munshi and Mr Daniel Poller, both of whom are related parties of the Company (with Mr Munshi being a current Director of the Company and Mr Poller having resigned as a Director of the Company within the last 6 months), in lieu of accrued directors' fees or consultancy fees (Remuneration Shares).

The Board considers the issue of the Remuneration Shares to each Director to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Remuneration Shares on the terms proposed.

The amount owed to each Director, the number of Remuneration Shares to be issued to each Director in lieu of a cash payment and the basis of the calculation for this is set out in the table below:

Director and Resolution	Description	Number of Shares	From	To	Issue Price (being the average of the monthly VWAP)	Notional value of Remuneration Shares*	Actual amount owed to Director
Mr Mohammed Munshi <i>Resolution 7</i>	Director Fees	3,241,000	1-Sep-14	31-Dec-15	\$0.014	\$46,667	\$46,667
	Consultant Fees	16,666,000	1-Sep-14	31-Dec-15	\$0.014	\$240,000	\$240,000
Mr Daniel Poller <i>Resolution 8</i>	Remuneration	5,656,400	1-Sep-14	30-Jun-15	\$0.018	\$100,000	\$100,000
	Director Fees	909,100	1-Jul-15	31-Oct-15	\$0.011	\$10,000	\$10,000
	Total	26,472,500				\$396,667	\$396,667

*The Remuneration Shares have been valued by the Board based on the average of the monthly VWAP for Shares for the relevant period in which the remuneration accrued. The notional value of the Remuneration Shares is set out in the table.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and Listing Rule 10.12 do not apply in the circumstances relevant to resolutions 7 and 8.

Accordingly, Resolutions 7 and 8 seek Shareholder approval for the issue of Remuneration Shares to Mr Munshi and Mr Poller respectively as follows:

- (a) for the purposes of Listing Rule 10.11; and
- (b) for the purposes of section 208 of the Corporations Act, for the issue of the Remuneration Shares, which constitutes the giving of a financial benefit.

Listing Rule 10.11 - Remuneration Shares

The following information is provided in accordance with Listing Rule 10.13:

- Each of Mr Munshi and Mr Poller is a related party of the Company by virtue of being, or in Mr Poller's case having been within the last 6 months, a Director. The Remuneration Shares may be issued to them or their respective nominees.
- The maximum number of Remuneration Shares to be granted to the Directors (or their respective nominee) is 26,472,500 (with Mr Munshi to receive 19,907,000 and Mr Poller to receive 6,565,500).

3. The Remuneration Shares will be issued within 1 month of this Annual General Meeting.
4. The Remuneration Shares will be issued for nil consideration at the respective issue prices (equal to the applicable average monthly VWAP for the period in which the remuneration was accrued) set out in the table above.
5. The Remuneration Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
6. No funds will be raised by the issue of Remuneration Shares although the Company's liability to the Directors in relation to their accrued remuneration will be satisfied by the issue.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1, and the securities issued pursuant to this Resolution will not be included in the calculation of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Section 208 of the Corporations Act – Remuneration Shares

The following information, in addition to the information contained in this Explanatory Statement and Schedule 1 is provided in accordance with section 219 of the Corporations Act:

Issue of Shares to Mr Munshi in lieu of cash remuneration (Resolution 7)

1. Mr Munshi's current remuneration is set out at Schedule 1 to this Explanatory Statement.
2. The 19,907,000 Shares, the subject of Resolution 7, to be issued to Mr Munshi have been valued by the Board to have a notional value of \$286,667, based on the monthly VWAP metrics set out in the table above.
3. Mr Munshi's direct or indirect interest in securities in the Company is set out at Schedule 1 to this Explanatory Statement.
4. Assuming no other Shares are issued (other than those to be issued to Mr Munshi if Resolution 6 is passed), the maximum dilution that will be experienced by Shareholders as a result of the issue of Shares to Mr Munshi is set out at Schedule 1 to this Explanatory Statement.
5. Mr Munshi did not vote on any Board resolution in respect of the grant of securities the subject of Resolution 7 and declines to make a recommendation to Shareholders in relation to this Resolution due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of this Resolution, recommend that Shareholders vote in favour of the Resolution for the reasons set out in this Explanatory Statement. The Board (other than Mr Munshi) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.
6. A voting exclusion statement is set out in the Notice of Meeting.

Issue of Shares to Mr Daniel Poller in lieu of cash remuneration (Resolution 8)

1. Mr Poller's current remuneration is set out at Schedule 1 to this Explanatory Statement.
2. The 6,565,500 Shares, the subject of Resolution 8, to be issued to Mr Poller have been valued by the Board to have a notional value of \$110,000, based on the monthly VWAP metrics set out in the table above.
3. Mr Poller's direct or indirect interest in securities in the Company is set out at Schedule 1 to this Explanatory Statement.
4. Assuming no other Shares are issued, the maximum dilution that will be experienced by Shareholders as a result of the issue of Shares to Mr Poller is set out at Schedule 1 to this Explanatory Statement.
5. Mr Poller did not vote on any Board resolution in respect of the grant of securities the subject of Resolution 8 as he has ceased to be a Director of the Company. The current Directors, who do not have a material interest in the outcome of this Resolution, recommend that Shareholders vote in favour of the Resolution for the reasons set out in this Explanatory Statement. The Board (which does not include Mr Poller) is not aware of any other information that would be reasonably required

by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

6. A voting exclusion statement is set out in the Notice of Meeting.

RESOLUTION 9 ISSUE OF SHARES TO CONSULTANTS

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue Equity Securities in any 12 month period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity Securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The Company is seeking Shareholder approval to the issue of Shares the subject of Resolution 9 for the purposes of Listing Rule 7.1, so these Shares will not be counted towards the 15% limit.

The Board has determined, subject to obtaining Shareholder approval, to issue 11,000,000 Shares to certain consultants to the Company (Consultants) or their nominees, on the terms and conditions set out below.

The primary purpose of the issue of Shares to the Consultants, or their nominees, is to recognise the roles the Consultants have performed, and are expected to continue to perform in respect of the Gunung Rosa Project.

The Board considers the grant of the Shares to the Consultants to be reasonable, given the contributions the Consultants have made to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares on the terms proposed.

None of the Consultants are related parties of the Company.

The following information is provided in accordance with Listing Rule 7.3:

1. A maximum of 11,000,000 Shares are to be issued.
2. The Shares the subject of this Resolution will be issued to the Consultants at a nil issue price.
3. The Shares will be issued to the Consultants or their nominees.
4. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
5. No funds will be raised by the issue of the Shares the subject of this Resolution.
6. The Company intends to issue the Shares in one lot within 5 days of the date of this Annual General Meeting, but in any case within 3 months of the date of this Annual General Meeting.

A voting exclusion statement is set out in the Notice of Meeting. The Directors recommend that Shareholders vote in favour of Resolution 9.

RESOLUTION 10 ISSUE OF SHARES TO MR GARRY TAYLOR

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue Equity Securities in any 12 month period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity Securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The Company is seeking Shareholder approval to the issue of Shares the subject of Resolution 9 for the purposes of Listing Rule 7.1, so these Shares will not be counted towards the 15% limit.

The Board has determined, subject to obtaining Shareholder approval, to issue 5,000,000 Shares to Mr Garry Taylor, or his nominee, on the terms and conditions set out below.

The primary purpose of the issue of Shares to Mr Taylor, or his nominee, is to recognise the role Mr Taylor has performed, and is expected to continue to perform as Chief Financial Officer and Company Secretary.

The Board considers the grant of the Shares to Mr Taylor to be reasonable, given the necessity to attract professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares on the terms proposed.

The following information is provided in accordance with Listing Rule 7.3:

7. A maximum of 5,000,000 Shares are to be issued.
8. The Shares the subject of this Resolution will be issued to Mr Garry Taylor at a nil issue price.
9. The Shares will be issued to Mr Garry Taylor or his nominee. Mr Taylor is a KMP of the Company.
10. The Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company and application will be made for their quotation on ASX.
11. No funds will be raised by the issue of the Shares the subject of this Resolution.
12. The Company intends to issue the Shares in one lot within 5 days of the date of this Annual General Meeting, but in any case within 3 months of the date of this Annual General Meeting.

A voting exclusion statement is set out in the Notice of Meeting. The Directors recommend that Shareholders vote in favour of Resolution 10.

RESOLUTION 11 APPROVAL OF PERFORMANCE RIGHTS PLAN

At the annual general meeting of the Company held on 30 November 2012, Shareholders approved the issue of securities under the Company's Performance Rights Plan (PRP), in accordance with Listing Rule 7.2 Exception 9(b).

The Company uses the PRP to govern, among other things, the issue and vesting conditions of performance rights for its personnel. The Company believes that the PRP assists it to remunerate and provide ongoing incentives to directors, officers, employees and consultants.

The Company uses the PRP to reward contributions to the Company's performance and strengthen the link between the creation of value for Shareholders and rewards for its personnel.

In summary, the rules of the PRP enable the Company to issue performance rights to eligible personnel subject to performance hurdles and vesting conditions determined by the Company. Each performance right entitles the holder, for nil cash consideration, to one fully paid ordinary share in the equity of the Company if the applicable performance hurdles and vesting conditions set for that holder are satisfied.

Approval is now being sought under Resolution 10 because, broadly, Listing Rule 7.1 prohibits the Company from issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary share capital of the Company in any 12-month period, unless the Company obtains Shareholder approval for the issue or an exemption applies.

Exception 9(b) in Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to the issue of equity securities by the Company under an employee incentive scheme if the scheme has been approved by Shareholders within 3 years before the date of issue of the relevant securities.

The Company is seeking approval of the PRP for the purposes of Listing Rule 7.2 exception 9(b) so that the grant of Performance Rights under the PRP, and Shares issued on vesting of those Performance Rights, will not reduce the Company's 15% capacity under Listing Rule 7.1.

The Directors may participate in the PRP (subject to specific Shareholder approval) and are therefore excluded under the Listing Rules from voting on this resolution, along with any of their respective associates, (other than as proxy for shareholders that are entitled to vote).

The grant of any Performance Rights to a Director will require specific Shareholder approval under Listing Rule 10.14.

The following information is provided in accordance with Listing Rule 7.2 Exception 9(b):

- A summary of the key rules of the PRP is set out in Schedule 2. A copy of the full rules of the PRP is available on the Company's website (www.paramountmining.com);
- 51,500,000 Performance Rights have been issued since the date of the last approval (30 November 2012);
- A voting exclusion statement is included in the Notice of Meeting.

RESOLUTION 12 CAPITAL RAISING TO RAISE UP TO \$500,000

Resolution 12 seeks Shareholder approval for directors to enter into a future capital raising agreement or agreements to raise up to \$500,000 through the issue of Shares, on terms yet to be agreed (the 'Capital Raising') for the purposes of Listing Rule 7.1 and for all other purposes. The Capital Raising is to be applied for ongoing working capital purposes.

If Shareholders approve this Resolution, the Directors will have the flexibility and discretion to enter into a Capital Raising to secure ongoing working capital, without being restricted by the 15% Share issuance limit imposed by Listing Rule 7.1 and without having to suffer delay or additional expense involved in convening another general meeting to obtain any Shareholder approval that would otherwise be required under Listing Rule 7.1. The following information is provided in accordance with Listing Rule 7.3:

1. The maximum of Shares to be issued will be determined in accordance with the following formula:
$$\text{\$500,000 divided by the "Issue Price" (as defined in paragraph 3 below).}$$
2. The Shares will be issued within 3 months of the date of this Annual General Meeting.
3. The issue price for any Shares will be not less than 80% of the volume-weighted average Share price of all on-market trades of the Company's Shares on the ASX in the 5 ASX trading days immediately preceding the issue (Issue Price).
4. The names of the persons to whom the Company will issue Shares instruments are not known at this time. The Shares will be issued to persons or entities identified by the Company and to which a disclosure document is not required to be provided by virtue of Part 6D.2 of the Corporations Act 2001. No related parties (within the meaning of the Corporations Act) will be issued Shares.
5. Any Shares issued under any Capital Raising agreement(s) will be issued on the same terms as, and rank equally with, the existing issued Shares and application will be made for their quotation on ASX.
6. Funds raised from the proposed issue will be applied for ongoing working capital purposes.
7. The Company may issue any Shares the subject of this resolution progressively throughout the 3 month period.
8. A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 12.

RESOLUTION 13 APPROVAL OF 10% PLACEMENT FACILITY

Background

Listing Rule 7.1A allows an 'eligible entity' to issue up to 10% of its issued capital (10% Placement Facility) in the 12 month period following Shareholder approval (if granted). The Company is an eligible entity as it is not included in the S&P/ASX300 Index and has a market capitalisation of less than \$300,000,000. The Company's market capitalisation is currently approximately \$6,000,000.

The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The 10% Placement Facility must be an existing class of Equity Securities currently quoted on the ASX, that is fully paid ordinary shares. Shares issued with approval under ASX Listing Rule 7.1A may be issued at any time during the 12 month period from the date of this resolution.

This Resolution must take the form of a special resolution which requires at least 75% of the votes that may be cast by members who are entitled to vote, to be cast in favour of the resolution. This includes voting via proxies.

Formula for calculating 10% Placement Facility

Listing rule 7.1A.2 provides that an eligible entity which has obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 months period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

- A is the number of share on issue 12 months before the date of the issue or agreement:
- a) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
 - b) plus the number of partly paid shares that became fully paid in the 12 months;
 - c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4;
 - d) 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 Rules 7.1 or 7.4.

Shareholders are advised that it is a condition of approval under Listing Rule 7.1A that the issue price for the 10% Placement Facility must be not less than 75% of the volume-weighted average share price calculated over the 15 trading days immediately before:

- a) the date on which the price at which the Additional Placement Capital is agreed or issued; or
- b) if the securities are not issued within 5 trading days of the date referred to in paragraph (i) the date on which the securities are issued.

(Maximum Discount)

Notice requirements for approval under Listing Rule 7.1A

The following information is provided in accordance with Listing Rule 7.3A:

1. The Additional Placement Capital will be issued at a price not less than the Maximum Discount.
2. If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

- a) the market price of the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

Examples of the possible dilutive effect that such issues may have on Shareholders is provided in the following table:

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.005 50% decrease in Issue price	\$0.01 Issue price	\$0.02 100% increase in Issue price
Current Variable A	10% Voting dilution	60,797,661 Shares	60,797,661 Shares	60,797,661 Shares
607,976,605 Shares	Funds raised	\$303,988	\$607,977	\$1,215,953
50% increase in current Variable A	10% Voting dilution	91,196,491 Shares	91,196,491 Shares	91,196,491 Shares
911,964,908 Shares	Funds raised	\$455,982	\$911,965	\$1,823,930
100% increase in current Variable A	10% Voting dilution	121,595,321 Shares	121,595,321 Shares	121,595,321 Shares
1,215,953,210 Shares	Funds raised	\$607,977	\$1,215,953	\$2,431,906

The table has been prepared based upon the following assumptions:

- a) The Company issues the maximum number of Equity Securities available under this Resolution.
 - b) None of the 23,500,000 performance rights that the Company currently has on issue are exercised into Shares before the date of the issue of the Equity Securities.
 - c) The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility based on that Shareholder's holding at the date of the Annual General Meeting.
 - e) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A.
 - f) The issue price is \$0.01, being the closing price on 15 February 2016.
3. The Additional Placement Capital will be issued within 12 months of this Annual General Meeting, or earlier date if Shareholders approve a significant transaction for the purposes of Listing Rules 11.1.2 (other than that contemplated in Resolution 14) or 11.2.
 4. The Additional Placement Capital will be used to further develop the Company's project portfolio and for associated working capital purposes.
 5. The Company's current allocation policy in respect of the Additional Placement Capital is to make the Additional Placement Capital available to potential investors, and the Company expects to allocate the Additional Placement Capital to a mix of existing and new Shareholders. Allottees have not been determined and final determination as to the suitability of the allocation of the Additional Placement Capital will depend on the needs and requirements of the Company at the relevant time.
 7. The Company has not issued any Equity Securities in the 12 months preceding the date of the Annual General Meeting.
 8. A voting exclusion statement is included in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 13.

BACKGROUND FOR RESOLUTIONS 14 AND 15 (INCLUSIVE)

Important Information

Under ASIC Regulatory Guide 188, an invitation to vote on a transfer of securities (including as part of a reconstruction) at a general meeting constitutes an offer of securities to those shareholders, which would ordinarily require a disclosure document such as a prospectus. For the avoidance of any doubt, Paramount has sought, and ASIC has granted Paramount, relief from the requirement to prepare a prospectus in relation to the invitation to Paramount Shareholders to vote on the Demerger (defined below).

This Notice of Meeting is substantially in the same form as the draft provided to ASIC on 11 February 2016.

ASIC and its officers do not take any responsibility for the contents of this Notice of Meeting.

Overview

Paramount is currently a mining company focusing on precious and base metal deposits in Asia, and in particular Indonesia.

Paramount is proposing to undertake a demerger of Paramindo Singapore, an 85% held Singaporean incorporated subsidiary of Paramount which ultimately holds the Company's flagship project, the 72.25% held Gunung Rosa gold, silver and base metals project in Indonesia (Gunung Rosa Project).

Gunung Rosa Project

Gunung Rosa Project which is a high-grade gold, silver and base metals sulphide mine 125km south of Jakarta in West Java. Through its Indonesian subsidiary PT Paramindo, Paramindo Singapore presently has a right of first refusal on the remaining 27.75% equity interest in the Gunung Rosa Project. The remaining 27.75% is held by minority interests and the original owners of PT Cikondang Kancana Prima, a company incorporated under the laws of Indonesia. PT Cikondang Kancana Prima is the company which holds the mining licence for the Gunung Rosa Project.

The Gunung Rosa Project has a 20 year Mining Permit (Operation/Production IUP), which was issued in 2010 and has from late 2012 been under Paramount management at the operating level. It is presently in the predevelopment phase with a drilling program imminent, which is designed to upgrade JORC Resources from Inferred to Indicated, and with gold production expected within 18 months of the commencement of construction.

Gunung Rosa Project currently accounts for approximately 98% of the Company's total assets.

The Gunung Rosa Project has a total JORC Inferred Resource of approximately 634,000 oz Au. The Inferred Resource is estimated at 2,467,000 tonnes containing 436,000 ounces of gold, 1,045,200 ounces of silver, 8,230 tonnes of copper, 13,020 tonnes of lead and 43,800 tonnes of zinc using a cut-off grade of 1.5 g/t Au.

Demerger Transaction

During 2014, the Company undertook a review of its long term strategy to determine the best course of action which will provide the maximum benefit to Shareholders. The Board has finalised the structure of this corporate transaction and is proposing to undertake a demerger of Paramindo Singapore by distributing all of the shares of Paramindo Singapore held by the Company to Shareholders by way of an in-specie distribution via a dividend (Demerger).

Paramount currently holds its 85% interest in Paramindo Singapore indirectly through the Company's wholly owned, Australian incorporated subsidiary, Paramount Mining (Indonesia).

Due to the current corporate structure and Paramount's indirect ownership of Paramindo Singapore, it is intended that the Demerger will be effected by the payment of a two stage dividend where:

- (a) Paramount Mining (Indonesia) will distribute in-specie all of the shares it holds in Paramindo Singapore to Paramount by payment of a dividend (Paramount Mining (Indonesia) Dividend); and
- (b) subject to receipt of any required shareholder approvals, Paramount will distribute in-specie all of the shares it will hold in Paramindo Singapore to its shareholders by payment of a dividend.

It is currently anticipated that, through the Demerger (and subject to Paramindo Singapore undertaking a share split, prior to the Demerger taking effect) Shareholders will receive one fully paid ordinary share in Paramindo Singapore for every one Shares held on the Record Date (currently anticipated to be on or about

23 March 2016). The Company will make further announcements to ASX, when it becomes aware of exactly when the Demerger will be effected.

Following the completion of the Demerger, it is anticipated that Paramindo Singapore will seek to raise fresh capital with a view to listing the demerged entity on the Singapore Exchange (see below for further details).

Shareholders should note that the Demerger is not conditional on Paramindo Singapore listing on the Singapore Exchange.

Tax implications of Demerger

The Company is seeking a ruling from the Australian Taxation Office on the taxation impact of the Demerger on Australian resident Shareholders, and will inform Shareholders when it receives the details of the ruling.

In the interim, Schedule 3 of this Notice of Meeting provides an outline of the general Australian taxation implications in relation to the Demerger for Paramount Mining Corporation Limited shareholders who

- (a) are residents of Australia for income tax purposes (and are not residents of any other country);
- (b) hold their Paramount Mining Corporation Limited shares on capital account for income tax purposes;
- (c) are not subject to the rules concerning the taxation of financial arrangements contained in Division 230 of the Income Tax Assessment Act 1997 (Cth) in respect of their Paramount Mining Corporation Limited shares; and
- (d) participate in the Demerger Dividend (Participating Australian Shareholders).

Shareholders should note that Schedule 3 provides a general outline of taxation implications only, and does not take into account individual shareholders' circumstances. You are advised to seek your own professional taxation advice.

Foreign Shareholders

Foreign (i.e. non-Australian resident) Shareholders of Paramount Mining Corporation Ltd are eligible to participate in the Demerger and receive shares in Paramindo Singapore Pte Ltd, in the same manner as Australian Shareholders.

Notwithstanding the ability of foreign Shareholders to participate in the Demerger, the rights, remedies, and compensation arrangements available to investors in foreign jurisdictions may differ from the rights, remedies, and compensation arrangements available for Australian investors.

The taxation treatment of Australian securities may differ in various jurisdictions. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Performance rights holders

The Company has a number of performance rights on issue. It is intended that the Performance Rights outstanding at the Record Date will novate to Paramindo Singapore Pte Ltd as the performance hurdles attached to the Performance Rights relate to deliverable outcomes at the Gunung Rosa Project.

Background to Paramindo Singapore

Paramindo Singapore was incorporated in Singapore on 19 April 2010.

The issued capital of Paramindo Singapore comprises 20 shares. Following the Paramount Mining (Indonesia) Dividend, Paramount will directly hold 17 of Paramindo Singapore shares (prior to any share split being undertaken by Paramindo Singapore), which comprises 85% of Paramindo's issued share capital. The remaining three Paramindo Singapore shares, which comprises 15% of Paramindo's issued share capital, are held by Zurily Resources & Trading Pte Ltd, a company incorporated under the laws of Singapore.

Paramindo Singapore holds 85% in the Gunung Rosa Project and will continue to hold the 85% interest in the Gunung Rosa Project following completion of the Demerger. Consequently, following the Demerger Paramount will have no interest in the Gunung Rosa Project.

The current pre-IPO board of Paramindo Singapore is comprised of:

- Mr Mohammed Munshi (current Chairman of Paramount)
- Mr Joseph Borkowski
- Mr Lionel Liew
- Mr Garry Taylor

An outline of the directors of Paramindo Singapore, who are not, or have not been, directors of Paramount, are provided below.

- Joseph Borkowski

Mr Borkowski was appointed to the board of Paramindo Singapore Pte Ltd in August 2015.

Mr Borkowski is Chairman and CEO of Rasia Group, a Dubai-based principal investment company focused on natural resources and strategic infrastructure in the Commonwealth of Independent States, Balkans, China, and the Middle East. Rasia specialises in both direct investments and consortium investments for projects of national importance in which Rasia takes the lead investment risk. Rasia also manages a private equity fund and has been actively engaged in joint investment opportunities with, and as an advisor to, a Middle East based sovereign wealth fund since 2009.

- Lionel Liew

Mr Liew was appointed to the board of Paramindo Singapore in April 2010.

Mr Liew was appointed Company Secretary of Paramount in April 2011. He is a qualified accountant with a background in external audit and assurance, specialising in the mining industry in Australia. Mr Liew is a member of CPA Australia and CPA Singapore.

- Garry Taylor

Mr Taylor was appointed to the board of Paramindo Singapore in January 2010, and has served as Finance Director since April 2011.

Mr Taylor joined Paramount in September 2007. He is responsible for the company secretarial function as well as share registry, investor relations, accounting, taxation and audit. Mr Taylor is a member of CPA Australia, a Fellow of the Chartered Institute of Secretaries, and a graduate member of the Australian Institute of Company Directors.

Following the completion of the Demerger, it is anticipated that Paramindo Singapore board will seek to raise fresh capital with a view to listing the demerged entity on the Catalist Board of the Singapore Exchange. Details regarding any pre-IPO fundraising, and the status of listing, will be disclosed to Shareholders when such details become available.

Shareholders should note that the Demerger is not conditional on Paramindo Singapore listing on the Singapore Exchange.

Subject to the completion of the Demerger, it is currently intended that Paramindo Singapore will be listed on the Singapore Exchange during H1 2017.

Following completion of the Demerger, Shareholders will retain their existing Shares in the Company, however, Shareholders should read the section below in full, to understand the effect of the Demerger on the Company.

Paramindo Singapore is currently a private limited company incorporated under the laws of Singapore. It is intended that Paramindo Singapore will convert to a public company prior to the proposed transfer of its shares to the Paramount Shareholders.

Reasons for the Demerger

During 2014, the Company undertook a review of its long term strategy to determine the best course of action which will provide the maximum benefit to Shareholders. Relevantly, the review resulted in the Board determining that, for a number of reasons including:

- (a) historical low levels of liquidity in its shares;
- (b) small value share trades significantly impacting shareholder and company value; and
- (c) lack of institutional interest in the Company's shares,

it will need to undertake a transformative corporate transaction in the immediate future in order to re-domicile the Gunung Rosa Project and to provide value to Shareholders.

Whilst the Board considered a number of options it ultimately determined that the best strategy available to the Company was to undertake the Demerger as this will result in the Company's 72.25% interest in the Gunung Rosa Project being separated from the Company, such that the Gunung Rosa Project will be held within a separate Singaporean vehicle which may be listed on the Singapore Exchange, and which may also provide greater access to the financial resources required for the further development of the Gunung Rosa Project.

Conditions to the completion of the Demerger

The Demerger is conditional on:

- (a) Shareholders passing Resolutions 14 to 16 (inclusive), by the requisite majorities;
- (b) the Board of Paramount Mining (Indonesia) declaring and paying the Paramount Mining (Indonesia) Dividend; and
- (c) the Board of Paramount declaring and paying the Demerger dividend, being the distribution of the Company's holding of Paramindo Singapore shares, which requires the Board to determine that:
 - (i) the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
 - (ii) the payment of the dividend is fair and reasonable to the Shareholders as a whole; and
 - (iii) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

Impact of the Demerger on the Company

If Resolutions 14 to 16 (inclusive) are approved by Shareholders and the Demerger proceeds, the Company will cease to have any interest in both Paramindo Singapore and the Gunung Rosa Project.

A pro-forma consolidated balance sheet for the Company is set out below and shows the impact on the financial position of the Company after completion of the Demerger, on the assumptions set out in the notes to the pro-forma balance sheet, as if the Demerger had occurred on 30 June 2015.

	30 June 2015	
	Pre-Demerger (Audited)	Post-Demerger (Pro-forma – unaudited) ¹
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	58,762	32,908
Trade and other receivables	88,397	68,927
Other current assets	26,223	4,860
Total current assets	173,382	106,695
Non-current assets		
Trade and other receivables	17,723	-
Deferred exploration costs	10,439,245	-
Property, plant and equipment	7,589	2,928
Total non-current assets	10,464,557	2,928
Total assets	10,637,939	109,623
LIABILITIES		
Current liabilities		
Trade and other payables	1,381,404	28,628
Short-term provisions	35,140	-
Financial Liabilities	2,534,719	-
Total current liabilities	3,951,263	28,628
Non-current liabilities		
Total non-current liabilities	-	-
Total liabilities	3,951,263	28,628
Net assets	6,686,676	80,995
EQUITY		
Issued capital	31,467,348	80,995
Reserves	4,094,038	-
Accumulated losses	27,942,184	-
Total equity attributed to equity holders of the Consolidated group	7,619,202	80,995
Non-controlling interest	932,526	-
Total equity	6,686,676	80,995

Notes

- ¹ The pro-forma position in the table above has not been audited and has been prepared for illustrative purposes only and gives effect to the Demerger as if it had occurred on 30 June 2015. The pro-forma position is not intended to be a statement of the Company's current financial position.

There will be no changes to the capital structure of the Company as a result of the Demerger.

Advantages of the Demerger

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions relating to the Demerger:

- (a) the Demerger will provide the Company's Shareholders with ongoing exposure to the Gunung Rosa Project, as a result of their receipt of Paramindo Singapore shares through the in-specie dividend which will be undertaken in connection with the Demerger;
- (b) subject to Paramindo Singapore successfully listing on the Singapore Exchange, Shareholders will potentially hold shares in an entity with greater exposure to global capital markets and greater liquidity;
- (c) the Company will be free to seek other investment opportunities and Shareholders will have the opportunity to benefit from these new opportunities, as Shareholders will continue to hold their Shares in the Company; and
- (d) the Company will have reduced operational and administrative costs, due to a reduced asset base.

Disadvantages of the Demerger

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions relating to the Demerger:

- (a) the Company will no longer have any direct or indirect interest in Paramindo Singapore or the Gunung Rosa Project;
- (b) the Company will be changing the scale of its activities by a significant extent through the disposal of its flagship Gunung Rosa Project, which may not be consistent with the investment objectives of all Shareholders;
- (c) it is likely Paramindo Singapore will undertake pre-IPO fundraising, prior to listing on the Singaporean Exchange. Any such fundraising may not be offered pro-rata to Paramindo Singapore shareholders (if at all), as a result, Shareholders interest in Paramindo Singapore and, thereby, their exposure to the Gunung Rosa Project may be diluted as a result of any further capital raising activities undertaken by Paramindo Singapore following the Demerger.

Implications if the Demerger does not proceed

As noted above, the Company is undertaking the Demerger to seek to overcome:

- (a) historical low levels of liquidity in its shares;
- (b) small value share trades significantly impacting shareholder and company value; and
- (c) lack of institutional interest in the Company's shares.

If the Demerger does not proceed, Shareholders will not directly hold shares in Paramindo Singapore, an entity the Company hopes will be able to overcome these issues, in part, through a proposed IPO on the Singapore Exchange.

In the event that the Demerger does not proceed, the Company intends to continue to develop the Gunung Rosa Project to the extent possible, taking into account the issues described in this explanatory memorandum.

Company's intentions following completion of the Demerger

While the composition of the Board and the senior management of the Company post the Demerger has not been finalised, it is likely that the Board and senior management will continue unchanged.

The Company's cash position after the completion of the Demerger will be A\$20,000. It is intended that the Company's new activities will be similar to its current operations to the extent that the Company is, and intends to remain, a resource exploration and development company. It is likely that the Company will be required to raise capital in the short term for working capital and in order to seek and fund any new acquisition opportunities. To that end, the Company may issue shares to raise up to \$500,000 as contemplated at Resolution 12, if this Resolution 12 is approved by Shareholders. If additional funds are

required to finalise, for example, a mineral resource project acquisition the Company will put the relevant resolutions to Shareholders at the appropriate time.

ASX has noted that if disposal of a listed entity's main undertaking may be a precursor to the entity embarking on a new business venture, either immediately or once a suitable business has been identified and acquired, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business. The Company's securities were suspended from quotation on 17 March 2015 and continue to be suspended as at the date of this Notice of Meeting. The ASX have noted that it is unlikely that the Company's securities will be reinstated to quotation following the Demerger until it is able to either demonstrate compliance with Listing Rules 12.1 to 12.5 or that it has recomplied with the admission requirements of Chapters 1 and 2 of the Listing Rules.

Indicative timetable for Demerger

Subject to the ASX Listing Rules, the Corporations Act and Singaporean law requirements, the Company anticipates completion of the Demerger will occur in accordance with the following timetable (which is subject to change by the Company):

Event	Indicative Date
Announcement of Demerger	17 February 2016
Despatch of Notice of Meeting	17 February 2016
Annual General Meeting to approve Resolutions relating to Demerger	21 March 2016
Declaration of Paramount Mining (Indonesia) Dividend by board of Paramount Mining (Indonesia)	21 March 2016
Transfer of Paramindo Singapore shares by Paramount Mining (Indonesia) to Paramount	21 March 2016
Paramount Board to resolve to pay dividend by distribution of Paramindo Singapore shares to Shareholders	21 March 2016
Record Date for Shareholder participation in dividend of Paramindo Singapore shares	23 March 2016
Transfer of Paramindo Singapore shares by Paramount to Shareholders	27 April 2016
IPO and listing of Paramindo Singapore on Singaporean Exchange	H1 2017

As noted above, following the completion of the Demerger, it is anticipated that the Paramindo Singapore board will seek to raise fresh capital with a view to listing the demerged entity on the Singapore Exchange. Further information regarding this process will be made available by the Paramindo Singapore board following completion of the Demerger.

Rights attaching to Paramindo Singapore shares

A summary of the rights likely to attach to the shares in Paramindo Singapore following the Demerger is detailed below. This summary is qualified by the full terms of the Paramindo Singapore articles (a full copy of the articles is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of persons who hold shares in Paramindo Singapore. These rights and liabilities can involve complex questions of law arising from an interaction of the articles with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the shares in Paramindo Singapore in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, every Paramindo Singapore shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held.

(b) Meetings

Subject to the provisions of the Companies Act, Paramindo Singapore is required to give shareholders at least 14 days' notice of a meeting of shareholders. Each shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Companies Act and articles.

Under the Companies Act, members of Paramindo Singapore holding not less than 10% of such of the paid-up capital of the Company as carries voting rights have a right to requisition the directors to call for a general meeting of the Company. Members holding not less than 10% of the issued shares of Paramindo Singapore are also entitled to call for a general meeting of Paramindo Singapore without requisitioning the directors to do so.

(c) Dividends

The board of Paramindo Singapore may from time to time resolve to pay dividends to shareholders and fix the amount of the dividend, the time for determining entitlements to the dividend and the timing and method of payment.

(d) Transfer of Shares

Subject to the articles and Companies Act shares may be transferred by a proper transfer effected in accordance with a written instrument of transfer which complies with the articles or by any other method permitted by the Companies Act.

The board of Paramindo Singapore may refuse to register a transfer of shares where permitted to do so under the articles.

(e) Issue of further shares

Subject to the Companies Act, Paramindo Singapore may issue further shares on such terms and conditions as the board resolves, under a general, wide-ranging mandate customarily given by shareholders at each annual general meeting.

(f) Purchase of own shares

Subject to the Companies Act, Paramindo Singapore may purchase or otherwise acquire its own shares upon such terms and subject to such conditions as Paramindo Singapore may deem fit.

(g) Winding Up

If Paramindo Singapore is wound up, then subject to a special resolution of the shareholders, any surplus must be divided amongst the company's members as determined by the liquidator.

(h) Unmarketable parcels

Subject to the articles, Paramindo Singapore may sell the shares of a shareholder who holds less than a marketable parcel of Shares under an 'opt-out' procedure.

(i) Variation of rights

At present, Paramindo Singapore's only class of shares on issue is ordinary shares. Subject to the articles, the Companies Act, and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- (i) by a special resolution of the issued shares included in that class; or
- (ii) by a special resolution passed at a separate meeting of the holders of those shares.

(j) Directors – appointment and removal

There is no minimum or maximum number of directors. Currently, there are four directors. The Singapore Exchange Catalist Listing Rule Rule 406(3) mandates that a company must have at least two directors, at least one of which must be resident in Singapore.

At the first annual general meeting all directors shall retire from office, and at subsequent annual general meetings, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire.

A retiring director is eligible for re-election. The directors may appoint a director either in addition to existing directors or to fill a casual vacancy, who then holds office until the next annual general meeting. Paramindo Singapore may elect a person as a director by resolution passed at a general meeting. A director elected at a general meeting is taken to have been elected with effect immediately after the end of that general meeting unless the resolution by which the director was appointed or elected specifies a different time.

(k) Directors – remuneration

The articles provide that non-executive directors are entitled to such directors' fees as determined by the directors, subject to approval by shareholders at a general meeting. Such amount set does not apply to the salary and other remuneration of executive directors.

(m) Litigation

Under the Companies Act as well as at common law, a member of Paramindo Singapore is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of Paramindo Singapore.

(n) Alteration to the articles

The articles can only be amended by a special resolution passed by at least 75% of Paramindo Singapore's members present and voting at a general meeting.

(o) Transactions requiring shareholder approval

The types of "transactions" that require shareholder approval are governed by the Companies Act and the articles. Generally speaking, the following types of transactions will require shareholder approval:

- (i) amendments to the articles;
- (ii) amalgamations;
- (iii) disposing of substantially the whole of the company's property or undertaking;
- (iv) change of name of the company;
- (v) reduction of share capital;
- (vi) winding up;
- (vii) share buy-back;
- (viii) removal of company auditors; and
- (ix) certain alteration of capital and variations of rights attaching to shares.

This is not an exhaustive list but sets out common transactions which require shareholder approval.

Key differences between Singaporean and Australian company law

As Paramindo Singapore is not incorporated in Australia, but rather Singapore, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Singaporean Companies Act and Singaporean Accounting and Corporate Regulatory Authority (ACRA).

This is a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Singapore as opposed to Australia. It is provided as a general guide only, as Shareholders will receive shares in Paramindo (a Singaporean company), subject to the Demerger proceeding. This general description does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of Paramindo Singapore shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

(a) Corporate procedures

In Singapore, the regulation of companies is generally governed by the Companies Act.

The general company law structure of Singapore and Australia is reasonably similar, being based in legislation with a common law background of directors' duties. As with Australian company law, a limited liability company incorporated under the Companies Act in Singapore will be a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under Singapore law including a change of company name, alteration of the articles, and approval of capital reductions.

(b) Takeovers

In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a relevant interest in issued voting shares of a company if, because of the transaction, a person's voting power in the company:

- (i) increases from 20% or below to more than 20%; or
- (ii) increases from a starting point, which is above 20% but less than 90%.

Certain exceptions apply, such as acquisitions of relevant interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per 6 months.

Australian law permits compulsory acquisition by 90% holders.

Under Singaporean law, the Securities and Futures Act (Chapter 289) of Singapore and the Singapore Code on Takeovers and Mergers govern a takeover. The threshold above which acquisition by a person, together with parties acting in concert with it, will trigger a mandatory offer is 30%. This is higher than the 20% threshold which applies to Australian public companies.

Subject to the exceptions noted below, a person (and in certain circumstances, persons acting in concert with that person) will be required to make a general offer for all of the shares in a company covered under the Singapore Code on Takeovers and Mergers if:

- (i) such person acquires shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the company; or
- (ii) where such person and persons acting in concert with it hold between 30% and 50% of the voting rights in such company and the person (or its concert party) acquires in any period of 6 months additional shares carrying more than 1% of the voting rights.

Where, as a result of the issue of new securities as consideration for an acquisition, a cash subscription or the fulfilment of obligations under an agreement to underwrite the issue of new securities, a person or its concert parties acquire shares which give rise to an obligation to make a general offer, the Securities Industry Council of Singapore may waive such obligation subject to the fulfilment of certain conditions, including the approval of a majority of shareholders of the company by way of a poll at a general meeting to waive their rights to receive a general offer.

A person who (together with its concert parties) already holds more than 50% of the voting rights in the company is not restricted from making further acquisitions above that level, and is not normally obliged to make a general offer as a result of making any such further acquisitions. However in the case of members of a group acting in concert, subject to certain conditions, the Securities Industry Council of Singapore may regard as giving rise to an obligation to make an offer of acquisition by a single member or sub-group of the group of voting rights sufficient to increase their holdings to 30% or more or, if they already hold between 30% and 50%, by more than 1% in any six month period.

(c) Substantial shareholders reporting

Under Australian law, a shareholder who begins to or ceases to have a "substantial holding" in a listed company, or has a substantial holding in a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to the ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.

Under Singaporean law, substantial shareholder reporting by a Singaporean-listed public company (or any other company as may be declared by the Singapore Minister of Finance under the Companies Act) applies at:

- (i) the 5% level; and
- (ii) at every change in a percentage level after that.

Details of acquisitions and disposals by substantial shareholders must generally be given to the company within:

- (i) two business days after the transaction occurs; and
- (ii) two business days after the substantial shareholder becomes aware of such change, respectively.

(d) Related party transactions

In Australia, related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on “arm’s length terms”, represents no more than reasonable remuneration, or complies with other limited exemptions.

Under Singaporean law, loans (including the provision of security or the entry into any guarantee) to directors of a public company or to directors of a related company are regulated, but otherwise the rules regarding related party transactions are not as restrictive as under Australian law.

(e) Protection of minority shareholders – oppressive conduct

In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.

In Singapore, an analogous right to apply to the court is also available to members of a company, where the affairs of the company are being conducted or directors’ powers are being exercised in a manner oppressive to members, in disregard of members’ interests, or some act or resolution by the company unfairly discriminates against or is prejudicial to members.

(f) “Two strikes” rule

Under Australian law, an ASX listed company is required to hold a “spill vote” if its remuneration report receives a 25% No vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors. There is no equivalent rule under Singaporean law.

Key differences between disclosure requirements for Singaporean and Australian listed entities

Australian position

Chapter 3 of the ASX Listing Rules and Chapter 6CA of the Corporations Act sets out provisions relating to the timely disclosure of information. Subject to a number of exceptions, once a company becomes aware of information which a reasonable person would expect to have a material effect on the value of the company’s securities, the company must immediately disclose that information.

In addition, mining companies listed on the ASX are required to report minerals exploration results, mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (“JORC Code”).

As a public company listed on the ASX, Paramount is currently subject to the continuous disclosure and reporting obligations under the Corporations Act and the ASX Listing Rules.

Singaporean position

Unlisted companies (private or public) in Singapore do not have any obligations under the Companies Act to disclose material information. Companies listed on the Singapore Exchange are required to comply with disclosure requirements set out in the SGX Listing Rules (for Mainboard issuers) or the Catalist Rules (for Catalist Board issuers). In addition, mineral, oil and gas companies listed on the Catalist Board of the Singapore Exchange are required to provide annual qualified person's reports according to a prescribed Standard of reporting including:

(a) one of the following codes or guidelines

- (i) the JORC Code;
- (i) National Instrument 43-101 Standards of Disclosure for Minerals Projects ("NI43-101"), including Companion Policy 43-101, as promulgated by the Canadian Securities Administrators ("CSA");
- (iii) Pan European Reserves and Resources Reporting Committee Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("PERC Code"); and
- (iv) Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee ("VALMIN Code"), with regards to valuations,

(b) as promulgated by one of the following organisations:

- (i) JORC;
- (ii) PERC;
- (iii) Society for Mining, Metallurgy and Exploration ("SME");
- (iv) Canadian Institute of Mining, Metallurgy and Petroleum ("CIM");
- (v) CSA; or

(c) an equivalent standard that is acceptable to the Singapore Exchange.

Intentions of Paramindo Singapore

Upon listing on the Singapore Exchange, Paramindo Singapore will be required to comply with one of the above Standards in respect of its reporting requirements. It is intended that Paramindo Singapore will report its exploration results, mineral resources and reserves under the JORC Code, being the same standard of reporting currently used by the Company.

While it is not a strict requirement, Paramindo Singapore intends to report under the JORC Code while it remains a public (but unlisted) company in advance of its proposed listing on the Singapore Exchange. In this regard, until such time as it is listed on the Singapore Exchange, Paramindo Singapore intends to prepare and provide reports in accordance with the JORC Code, which will be available to shareholders through Paramindo Singapore's website.

Risk Factors

There are a number of risks associated with the Demerger transaction generally, continuing to be a shareholder in Paramount post the Demerger, and becoming a shareholder in Paramindo Singapore, which are detailed below.

The Demerger may not complete

Completion of the Demerger is subject to:

- (a) the passing of Resolutions 14 – 16 by the shareholders at Annual General Meeting; and
- (b) the Board of Directors determining that the dividends test in the Corporations Act is satisfied, thereby allowing the Board to declare the Demerger Dividend.

If the dividend test is unable to be satisfied, or shareholders do not approve Resolutions 14 - 16 at the Annual General Meeting, the Demerger will not proceed.

If implementation of the Demerger does not occur, then Paramount will continue to operate in the ordinary course of its business, but may experience a delay in the execution of its strategic objectives, and may be

unable to realise the benefits for shareholders that the Board believes will result from the Demerger. In these circumstances, Paramount will have incurred costs that have already been incurred or committed (e.g. fees for professional advisers, and fees in relation to the listing of Paramindo Singapore on the Singapore Exchange), notwithstanding that the Demerger would not proceed.

The Demerger may fail to realise anticipated benefits

Paramount or Paramindo Singapore may fail to realise any or all of the anticipated benefits of the Demerger, either in a timely manner or at all.

Some of the potential benefits of the Demerger may not be achieved as a result of circumstances outside the control of Paramount or Paramindo Singapore.

There is potential for delays, unexpected costs or other issues in establishing Paramindo Singapore as a standalone entity listed on the Singapore Exchange

As a subsidiary of Paramount, Paramindo Singapore is currently supported by Paramount's corporate services infrastructure, including the provision of services relating to group accounting, taxation, superannuation, legal, insurance administration, information management, certain group purchasing and human resources.

The proposed listing of Paramindo Singapore on the Singapore Exchange is subject to Paramindo Singapore raising sufficient capital for the listing, and meeting certain other criteria of the Listing Rules of the Singapore Exchange. There is no certainty that Paramindo Singapore will satisfy all of the criteria required for the listing in a timely manner, or at all. There is a risk that the listing on the Singapore Exchange may take longer than expected or may involve greater costs than anticipated. Until such time as the listing is completed, Paramount shareholders will hold shares in an unlisted Singaporean entity, and accordingly, there may be limited opportunity to trade such shares.

Risks associated with Paramount post-Demerger

After the Demerger and having 'spun-off' its major asset being Paramindo Singapore, Paramount will effectively be a shell company seeking to undertake an acquisition of a business, whether in the mining industry or otherwise. As outlined earlier in this explanatory statement, while the post-Demerger plans have not been finalised, it is intended that the Company's new activities will be similar to its current operations to the extent that the Company is, and intends to remain, a resource exploration and development company.

There is a risk that the Company may not be able to find a suitable asset for acquisition within a short time frame, or at all. As also noted earlier, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business. If the Company cannot identify an acquisition within this timeframe, there is a risk that ASX will suspend the Company's securities.

Risks associated with becoming a shareholder in Paramindo Singapore

(a) Industry risks

As Paramindo Singapore will remain a mineral exploration and development Company, it will post-Demerger, be exposed to the same risks it is currently exposed to as part of the Paramount group. These include the following:

- fluctuations in commodity prices and impacts of ongoing global volatility may negatively affect Paramindo Singapore's results;
- Paramindo Singapore's financial results may be negatively affected by currency exchange rate fluctuations;
- reduction in demand for commodities may adversely affect Paramindo Singapore;
- actions by governments or political events in the countries in which Paramindo Singapore operates could have a negative impact on the company;
- failure to discover or acquire new reserves, maintain or enhance existing reserves or develop new operations could negatively affect Paramindo Singapore's future results and financial condition;

- increased costs and schedule delays may adversely affect Paramindo Singapore's projects;
- the commercial counterparties Paramindo Singapore transacts with may not meet their obligations which may negatively impact Paramindo Singapore's results;
- unexpected natural and operational catastrophes may adversely impact Paramindo Singapore's operations; and
- health, safety, environment and community incidents or accidents and related regulations may adversely affect Paramindo Singapore's operations and reputation or licence to operate.

(b) Foreign jurisdiction risk

In addition, shareholders who receive Paramindo Singapore shares will become shareholders in a foreign corporation, which subject to a successful listing, will be listed on a foreign securities exchange. In this regard, Paramindo Singapore shareholders will be exposed to the legal and regulatory framework in Singapore, and the Singapore Exchange. A summary of the differences between corporations and securities laws in Australia and Singapore are outlined earlier in this explanatory statement.

(c) Dilution risk

As noted earlier in this Notice of Meeting, it is intended that likely Paramindo Singapore will undertake pre-IPO fundraising, prior to listing on the Singaporean Exchange. Any such fundraising may not be offered pro-rata to Paramindo Singapore shareholders (if at all), as a result, Shareholders interest in Paramindo Singapore and, thereby, their exposure to the Gunung Rosa Project may be diluted as a result of any further capital raising activities undertaken by Paramindo Singapore following the Demerger.

(d) On-sale restrictions

The Company is proposing to transfer the Paramindo Singapore shares to Paramount Shareholders without the use of a disclosure document (such as a prospectus) in reliance on ASIC relief obtained by Paramount in relation to the disclosure requirements under Chapter 6D of the Corporations Act (refer to the Important Information section in this explanatory statement above). Accordingly, and as a result of the on-sale provisions of the Corporations Act, Shareholders will not be able to transfer their Paramindo Singapore shares within 12 months of the date of receipt of the shares to persons in Australia who would otherwise require disclosure under Chapter 6D of the Corporations Act (most commonly, retail investors).

There are no restrictions on transferring Paramindo Singapore shares to investors who do not require disclosure for an offer of securities (such as professional or sophisticated investors).

Further information

The comparison above is not an exhaustive statement of all relevant laws, rules, regulations and policies and is intended as a general guide only. Shareholders should consult with their own legal adviser if they require further information.

Competent person statement

The information in this explanatory statement that relates to Mineral Resources is based on information compiled by Dr Neil F Rutherford. Dr Rutherford is a Fellow of the Australian Institute of Geoscientists and is a full time employee of Rutherford Mineral Resource Consultants, mineral industry consultants, and acts as a consultant to the Company. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Dr Rutherford has consented to the inclusion in this explanatory statement of the matters based on this information in the form and context in which it appears.

Board Recommendation

Based on the information available, all of the Directors consider the Demerger to be in the best interest of the Company. The Board recommends that Shareholders vote in favour of Resolutions 14 and 16 (inclusive).

RESOLUTION 14 APPROVAL TO CHANGE NATURE AND SCALE OF ACTIVITIES

Listing Rule 11.1.2 prohibits a listed company from making a significant change, either directly or indirectly, in the scale of its activities without, among other things, obtaining the approval of the holders of its ordinary securities and complying with the Listing Rules in relation to the related notice of meeting.

The Demerger (which is outlined in detail above) will necessarily involve a change in the scale of activities of the Company. After the completion of the Demerger, the scale of the Company's activities will be reduced and the Company's position with respect to total and net assets, revenue, expenditure and loss will each be significantly impacted.

Additionally, the Company, will no longer be exposed to the Gunung Rosa Project, which constitutes the Company's 'main undertaking' for the purposes of the Listing Rules.

The Board is currently seeking new acquisition opportunities to maximise value to Shareholders and the Company's future activities may differ significantly from its current activities.

Accordingly, pursuant to its obligations under the Listing Rules, and as a matter of good corporate governance, the Company is seeking Shareholder approval under Listing Rule 11.1.2 to enable it to distribute the shares it holds in Paramindo Singapore to Shareholders by way of a dividend and to take all actions necessary to complete the Demerger.

The Board recommends that Shareholders vote in favour of Resolution 14.

RESOLUTION 15 APPROVAL TO DISPOSE OF MAJOR ASSET

Listing Rule 11.4 provides that, subject to the exception in Listing Rule 11.4.1, a listed entity, must not dispose of a major asset if, at the time of the disposal, it is aware that the buyer intends to issue or offer securities with a view to becoming listed (on the ASX or on another stock exchange).

Listing Rule 11.4.1 provides that Listing Rule 11.4 does not apply where:

- (a) the securities, except those to be retained by the entity or any child entity, are offered pro rata to holders of ordinary securities in the listed entity, or in another way that, in ASX's opinion, is fair in all the circumstances; and
- (b) holders of ordinary securities in the listed entity approve of the disposal without the offer referred to in paragraph (a) above being made.

As a result, given that following the completion of the Demerger it is anticipated that Paramindo Singapore will seek to raise fresh capital with a view to listing the demerged entity on the Singapore Exchange, Company is seeking Shareholder approval under Listing Rule 11.4.1(b) to enable it to undertake the Demerger, without making an offer to Shareholders that complies with paragraph (a) above.

The Board recommends that Shareholders vote in favour of Resolution 15.

RESOLUTION 16 APPROVAL OF AMENDMENT OF CONSTITUTION

On 28 June 2010, the *Corporations Amendment (Corporations Reporting Reform) Act 2010* (Cth) came into effect to, among other things, amend the test governing the circumstances in which companies may pay dividends. Prior to 28 June 2010, section 254T of the Corporations Act stipulated that companies may only pay dividends out of profits. From 28 June 2010, the revised section 254T of the Corporations Act states that companies must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

As a result, so that the Company can undertake the Demerger by way of an in-specie distribution via a dividend, it is necessary for the Company to amend its Constitution so that it is not restricted to declaring

dividends out of profits and may pay dividends in accordance with the current provisions of the Corporations Act.

If passed Resolution 15 would amend rule 17.1 of the Constitution by deleting the words “out of profits”, such that rule 17.1 would read:

“17.1 Subject to the rights of persons (if any) entitled of shares with special rights to dividend, the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Members of such a dividend.”

The effect of the proposed amendment described above is that the Directors may rely on rule 17.1 of the Company's Constitution (as amended) to declare and pay a dividend as they see fit, provided the tests in section 254T of the Corporations Act have been satisfied.

The Board considers that the proposed amendment is appropriate, as it seeks to bring the rules regarding the payments of dividends by the Company into line with the current provisions of the Corporations Act.

A copy of the Company's Constitution can be obtained before the meeting from the Company, and will also be available at the meeting.

Under the provisions of section 136 of the Corporations Act, the amendment of an existing constitution of a company requires shareholder approval by way of a special resolution (i.e., at least 75% of the votes cast by shareholders entitled to vote on Resolution 15 must be in favour of that resolution for it to be passed).

The Directors recommend that shareholders vote in favour of Resolution 16.

GLOSSARY

ACRA means the Accounting and Corporate Regulatory Authority of Singapore.

AUD, \$, cents means Australian dollars and cents.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the current 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.

BRL Loan Facility means the loan facility provided to the Company by Bungarra Resources Ltd.

Closely Related Party of a member of Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls.

Company or Paramount means Paramount Mining Corporation Limited (ACN 102 426 175).

Companies Act means the Companies Act (Cap.50) of Singapore.

Constitution means the Company's constitution.

Consultants has the meaning given in the Explanatory Statement to Resolution 9.

Corporations Act means the Corporations Act 2001 (Cth).

Demerger means the demerger outlined in the Explanatory Statement (refer to the section titled "Overview of Demerger Transaction").

Directors means the current directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel or KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the Listing Rules of ASX.

Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement.

Paramindo Singapore means Paramindo Singapore Pte Ltd.

Paramount Mining (Indonesia) means Paramount Mining (Indonesia) Pty Ltd.

Performance Rights Plan or PRP means the Performance Rights Plan outlined in the Explanatory Statement and in Schedule 2 of this Notice of Meeting.

R & K Loan Facility means the loan facility provided to the Company by R & K Global Finance Ltd.

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

Remuneration Shares means the Shares the subject of Resolutions 7 to 8 (inclusive) to be issued to Directors or other Related Parties in lieu of accrued remuneration or consultancy fees.

Resolutions means the Resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Singapore Exchange means Singapore Exchange Limited.

USD means United States dollars.

VWAP means the Volume Weighted Average Price of the Company's Shares trading under the code PCP.

WST means Western Standard Time as observed in Perth, Western Australia.

ZRT Loan Facility means the loan facility provided to the Company by Zurily Resources and Trading Ltd.

SCHEDULE 1 – SUPPLEMENTARY INFORMATION FOR RESOLUTIONS 6 TO 8

52-week trading history of the Shares on ASX	Price	Date
Highest	\$0.040	19 February 2015
Lowest	\$0.010	16 March 2015
Last	\$0.010	11 January 2016

Directors' relevant interest in Equity Securities of the Company (as at the date of this Notice of Annual General Meeting)	Shares	Performance Rights
Mr Mo Munshi	57,899,566	6,000,000
Mr Daniel Poller	716,000	4,500,000

Directors' relevant interest in Equity Securities of the Company (as at the date of this Notice of Annual General Meeting)	Current voting power	Voting Power following AGM (assuming the Shares and the subject of Resolutions 6 to 8 are issued, and no other Shares are issued)
Mr Mo Munshi	9.52%	17.47%
Mr Daniel Poller	0.12%	1.08%

Directors' remuneration as at 31 December 2015	Entitlement 2014/2015	Actual 2014/2015	Actual 2013/2014
Mr Mo Munshi	\$286,667	-	\$295,000
Mr Daniel Poller*	\$110,000	-	\$240,000

*Resigned as CEO/MD 30 June 2015, Retired as Director 5 October 2015

Number of Shares currently on issue	Number of shares that will be on issue if all Shares the subject of Resolutions 6 to 8 (inclusive) are issued and vest and no other Shares are issued.
607,976,605	674,449,105

Dilution of existing Shareholders based on issued Shares as at the date of this Notice of Annual General Meeting of 607,976,605 (assuming, in each case, that only the Shares to be issued to the relevant Director are issued, and no other Shares are issued)		
Director	Shares	Dilution
Mr Mo Munshi	59,907,000 (40,000,000 Shares under Resolution 6 and 19,907,000 Shares under Resolution 7)	7.95%
Mr Daniel Poller	6,565,500	0.96%
Total	66,472,500	8.9%

**SCHEDULE 2 – SUMMARY OF THE RULES OF THE PRP THE SUBJECT OF
RESOLUTION 10**

- (a) The Board may determine which persons are eligible to receive grants of performance rights under the PRP and may invite eligible persons to participate in the PRP and be granted a number of performance rights on terms and conditions specified by the Board.
 - (b) Performance rights will not be quoted and will not be transferable except with the Board's consent or by force of law upon the participant's death.
 - (c) Performance rights confer on the participant no rights to vote, attend meetings, participate in a distribution of profit or a return of capital or any other participant rights or entitlements.
 - (d) In general, performance rights vest when the applicable performance hurdles and vesting conditions are satisfied.
 - (e) On vesting of a performance right, the Company will either issue or transfer to the participant a Share in the Company.
 - (f) The Company will apply for quotation on ASX of any Shares issued under the PRP. Any Shares issued under the PRP will rank equally with those traded on ASX at the time of issue, except as regards any rights attaching to Shares by reference to a record date prior to the date to the date of allotment.
 - (g) Participants are not entitled to trade in Shares issued on vesting of performance rights without the prior consent of the Board until the earlier to occur of:
 - i. the expiry of the period specified in the invitation to participate (not being longer than 7 years from the date of grant of the performance right); and
 - ii. the participant ceasing employment with the Company or one of its related bodies corporate.
 - (h) Performance rights that do not vest and become exercisable in accordance with the applicable conditions will automatically lapse, unless otherwise determined by the Board.
 - (i) Where, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of their obligations to the Company or a related body corporate, the Board may deem any unvested performance rights to have lapsed and any Shares issued on vesting of performance rights to be forfeited, or where any Shares have been sold by the participant, the Board may require the participant to pay all or part of the net proceeds of that sale to the Company.
 - (j) Upon the cessation of a participant's employment with the Company or a related body corporate:
 - i. by reason of death, disability, bone fide redundancy or other reason approved by the Board, and at that time the participant continues to satisfy any other relevant conditions of the grant, the Board may determine the extent to which the performance rights held by the participant vest; or
 - ii. for any other reason, all performance rights held by the participant lapse.
 - (k) In the event of a takeover bid for the Company, any performance rights granted to a participant will vest where, in the Board's absolute discretion, pro rata performance is in line with the performance conditions applicable to those performance rights. In addition, in the event of a court-ordered arrangement or compromise, compulsory acquisition following a takeover bid or the winding up of the Company, the Board may, in its absolute discretion, determine that some or all of a participant's performance rights vest if pro rata performance is in line with the performance conditions applicable to those performance rights.
 - (l) If Shares in the Company are issued under a bonus issue or there is a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number or the amount (if any) payable on vesting or both of performance rights to which a participant is entitled will be adjusted by the Board to ensure that no advantage or disadvantage accrues to the participant.
 - (m) The Board may amend or add to any of the rules of the PRP or the terms or conditions of any performance rights granted under the PRP, subject to certain restrictions.
 - (n) The Board may establish a trust for the purpose of acquiring and holding Shares issued on vesting of a performance right.
-

SCHEDULE 3 – GENERAL TAXATION IMPLICATIONS OF DEMERGER

1. OVERVIEW

The Company is seeking a ruling from the Australian Taxation Office on the taxation implications of the Demerger on Australian resident Shareholders, and will inform Shareholders when it receives the details of the ruling in due course. In the interim, the following is a general outline of the material Australian taxation implications in relation to the Demerger for Paramount shareholders who

- (a) are residents of Australia for income tax purposes (and are not residents of any other country);
- (b) hold their Paramount shares on capital account for income tax purposes;
- (c) are not subject to the rules concerning the taxation of financial arrangements contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in respect of their Paramount shares; and
- (d) participate in the Demerger Dividend (Participating Australian Shareholders).

The following information provided is a general outline of taxation implications for Participating Australian Shareholders only and does not take into account any shareholder's individual objectives, financial situation or needs, or consider the taxation implications for any particular shareholder. You are encouraged to seek your own professional taxation advice.

2. CLASS RULING

The class ruling application to the Australian Taxation Office is principally concerned with:

- (a) confirming that any dividend under the Demerger will not be assessable to Participating Australian Shareholders;
- (b) confirming the appropriate methodology for allocating the cost base of the Paramount between the Paramount Shares and the Paramindo Singapore Shares distributed under the Demerger;
- (c) determining the acquisition time of the Paramindo Singapore Shares for Participating Australian Shareholders; and
- (d) confirming that the Commissioner will not apply the anti-avoidance rules applicable to demergers.

3. OUTLINE OF THE AUSTRALIAN TAXATION IMPLICATIONS OF THE DEMERGER DIVIDEND

(a) General capital gains tax consequences

A capital gains tax (CGT) event will happen in relation to each Paramount Share held by a Participating Australian Shareholder as a result of the Demerger. However, any capital gains will be reduced to nil and no capital loss will arise.

(b) Implication of Participating Australian Shareholders if demerger relief is available

(i) Demerger Dividend

The entire distribution of the Paramindo Singapore Shares to Participating Australian Shareholders will be treated as a demerger dividend for income tax purposes. Therefore, the Demerger Dividend will not be assessable to Participating Australian Shareholders.

(ii) CGT Consequences for Participating Australian Shareholders

If demerger tax relief is available then, irrespective of whether demerger tax relief is chosen, Participating Australian Shareholders must apportion the tax cost base of their Paramount Shares just before the Demerger between the Paramount Shares and Paramindo Singapore Shares held just after the Demerger.

The first element of the tax cost base of each Paramount Share and corresponding Paramindo Singapore Share held by a Participating Australian Shareholder immediately after the Demerger will be determined as follows:

- * calculate the total of the cost bases of the Paramount Shares held (worked out just before the Demerger);

- * apportion the result of the above calculation between the Paramount Shares and corresponding Paramindo Singapore Shares held after the Demerger, having regard to the market values (or a reasonable approximation thereof) just after the Demerger of the shares. Paramount will provide Participating Australian Shareholders with information to assist them in determining the respective cost bases of their Paramount Shares and corresponding Paramindo Singapore Shares, on the Paramount website after the Demerger.

Irrespective of whether demerger tax relief is chosen, Participating Australian Shareholders will be treated as having acquired the corresponding New Entity Shares on the same date as their Paramount Shares for the purpose of determining the availability of the CGT discount in respect of any subsequent disposal of those shares. For example, if a Participating Australian Shareholder acquired their Paramount Shares on 1 July 2010, the corresponding Paramindo Singapore Shares received under the Demerger will be deemed to have been acquired on 1 July 2010.

(c) Implications for Paramount Shareholders if demerger tax relief is not available

If the Australian Taxation Office ultimately rules that demerger tax relief is not available, Participating Australian Shareholders:

- * will be required to include the market value of the Paramindo Singapore Shares in their assessable income for the year of income ending 30 June 2016;
- * will be treated as having acquired the Paramindo Singapore Shares, corresponding to the Paramount Mining Shares on the Paramount Distribution Date for the purpose of determining the availability of the CGT discount in respect of any subsequent disposal of those shares. The first element of the tax cost base of the Paramindo Singapore Shares should be their market value as at the Paramount Distribution Date.

(d) Goods and services tax (GST)

The transfer of the Paramindo Singapore Shares to a Participating Australian Shareholders and any other distribution as a result of the Demerger Dividend will not be subject to GST in Australia.

(e) Stamp Duty

Participating Australian Shareholders will not be subject to stamp duty in any Australian State or Territory in respect of the transfer of the Paramindo Singapore Shares to them under the Demerger.

(f) Australian dividend withholding tax

There will be no Australian dividend withholding tax on the payment by Paramount of the Demerger Dividend to shareholders that are not tax resident in Australia.

PARAMOUNT MINING CORPORATION LTD
ACN 102 426 175

PROXY FORM

The Company Secretary
Paramount Mining Corporation Ltd
44 Kings Park Road
West Perth WA 6005

Email: info@paramountmining.com
Facsimile: (+65) 6835 7868

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above)

Step 1: Appoint a Proxy

I/We, being a member of Paramount Mining Corporation Ltd and entitled to attend and vote hereby appoint

☐

the Chair of the Meeting (mark with an 'X')

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at 10.30am (WST), on Monday, 21 March 2016 at the State Tennis Centre, Victoria Park Drive, Burswood, Western Australia, and at any adjournment thereof, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 6 to 10, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this resolution even though Resolutions 1, 6 to 10 are connected with the remuneration of key management personnel for Paramount Mining Corporation Ltd.

The Chair of the Meeting will vote all undirected proxies in favour of all items of business (including Resolutions 1, 6 to 10). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote again, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

Step 2: Voting Directions

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Arbuckle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares to Zurily Resources and Trading Ltd as consideration for the renegotiation of the ZRT Loan Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares to Bungarra Resources Ltd as consideration for the renegotiation of the BRL Loan Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares to R & K Global Finance Ltd as consideration for the renegotiation of the R&K Loan Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Mr Mohammed Munshi in recognition of finance raised for the Gunung Rosa project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to Mr Mohammed Munshi in lieu of cash remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares to Mr Daniel Poller in lieu of cash remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares to Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Issue of Shares to Mr Garry Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Capital Raising to raise up to \$500,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Approval to change nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Approval to dispose of major asset	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Approval of amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE This section must be signed in accordance with the instructions below to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

Date: _____