



ABN 56 097 904 302

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting

17 November 2014

Time of Meeting

10:00 am

Place of Meeting

Professional Public Relations (PPR)

Level 2, 1 Altona Street

WEST PERTH WA 6005

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The 2014 Annual Report may be viewed on the Company's website at www.southbouldermines.com.au

SOUTH BOULDER MINES LTD

ACN 56 097 904 302

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of South Boulder Mines Limited (**Company**) will be held at Professional Public Relations (PPR), Level 2, 1 Altona Street, West Perth, Western Australia on 17 November 2014 at 10:00am for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

Business

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

Annual Accounts

To receive the financial statements of the Company for the year ended 30 June 2014, consisting of the annual financial report, the Directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only** resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be and is hereby adopted."

Short Explanation: Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's Directors, executives and senior managers included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory only and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 (in any capacity) by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person as a proxy if the vote is not cast on behalf of such a person and either the voter is appointed as a proxy by writing that specifies how that voter is to vote on Resolution 1 or the voter is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 2 – Election of Mr Paul Michael Donaldson as a Director

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

"That Mr Paul Michael Donaldson, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM.

Resolution 3 – Re-election of Mr Anthony William Kiernan as a Director

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

"That Mr Anthony William Kiernan, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be elected a Director of the Company."

Short Explanation: Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

Resolution 4 – Ratification of Prior Placement

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

*"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 10,000,000 Shares (**Prior Placement Shares**) each at an issue price of \$0.185 and 8,000,000 unlisted Options (**Prior Placement Options**) exercisable at \$0.35 each on or before that day which is 6 months from the ASX release of the pre-feasibility study results in relation to the Colluli Potash Project, subject to vesting conditions, (**Prior Placement**) on the terms and conditions set out in the Explanatory Memorandum."*

A voting exclusion statement is set out below.

Resolution 5 – Approval of 10% Placement Capacity

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

"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 6 – Approval to Increase Aggregate Fee Pool for Non-Executive Directors

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

"That, for the purposes of clause 6.5 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to non-executive Directors be increased by \$200,000 from \$200,000 to \$400,000 in accordance with the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 7 – Approval of the South Boulder Mines Limited Performance Rights Plan

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

"That, for the purposes of Listing Rule 7.2, Exception 9(b), as an exception to Listing Rules 7.1 and 7.1A and for all other purposes, Shareholders approve the performance rights plan for employees and Directors known as the "South Boulder Mines Limited Performance Rights Plan" and the grant of Performance Rights and the issue of Shares under such plan as described in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 8 – Approval of the grant of Performance Rights to Paul Michael Donaldson

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

"That, pursuant to and in accordance with Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 300,000 Performance Rights for no consideration under the South Boulder Mines Limited Performance Rights Plan, to Paul Michael Donaldson or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 9 – Approval of the grant of Performance Rights to Paul Michael Donaldson

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

"That, pursuant to and in accordance with Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 650,000 Performance Rights for no consideration under the South Boulder Mines Limited Performance Rights Plan, to Paul Michael Donaldson or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 10 – Approval of the grant of Performance Rights to Paul Michael Donaldson

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

"That, pursuant to and in accordance with Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 700,000 Performance Rights for no consideration under the South Boulder Mines Limited Performance Rights Plan, to Paul Michael Donaldson or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 11 – Approval of the grant of Performance Rights to Paul Michael Donaldson

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

"That, pursuant to and in accordance with Listing Rule 10.14 and section 208 of the Corporations Act and for all other purposes the Directors be and are hereby authorised to grant 800,000 Performance Rights for no consideration under the South Boulder Mines Limited Performance Rights Plan, to Paul Michael Donaldson or his nominee, on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 12 – Issue of Options to Seamus Ian Cornelius

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

"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue 1,500,000 Unlisted Options to Seamus Ian Cornelius or his nominee, on the terms set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 13 – Issue of Options to Paul Michael Donaldson

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

"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue 1,000,000 Unlisted Options to Paul Michael Donaldson or his nominee, on the terms set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 14 – Issue of Options to Anthony William Kiernan

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

"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue 1,500,000 Unlisted Options to Anthony William Kiernan or his nominee, on the terms set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

Resolution 15 – Issue of Options to Liam Raymond Cornelius

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

“That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue 1,000,000 Unlisted Options to Liam Raymond Cornelius or his nominee, on the terms set out in the Explanatory Memorandum.”

A voting exclusion statement is set out below.

Voting exclusion statements**Listing Rule 14.11**

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

Resolution	Persons excluded from voting
Resolution 4 – Ratification of Prior Placement	A person who participated in the issue and an associate of that person.
Resolution 5 – Approval of 10% Placement Capacity	A person, and an associate of that person, who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 5 is passed.
Resolution 6 – Approval to Increase Aggregate Fee Pool for Non-Executive Directors	A director of the Company and any of their associates.
Resolution 7 – Approval of the South Boulder Mines Limited Performance Rights Plan	All directors and any of their associates.
Resolutions 8 - 11 – Approval of the grant of Performance rights to Paul Michael Donaldson	Any director of the Company who is eligible to participate in the Performance Rights Plan in respect of which the approval is sought and any of their associates.
Resolution 12 – Issue of Securities to Seamus Ian Cornelius	A person who is to receive securities in relation to the entity and an associate of that person.
Resolution 13 – Issue of Securities to Paul Michael Donaldson	A person who is to receive securities in relation to the entity and an associate of that person.
Resolution 14 – Issue of Securities to Anthony William Kiernan	A person who is to receive securities in relation to the entity and an associate of that person.
Resolution 15 – Issue of Securities to Liam Raymond Cornelius	A person who is to receive securities in relation to the entity and an associate of that person.

However, the Company need not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form; or
- (ii) it is cast by the person chairing the Meeting as proxy for the person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 10:00 am (WST) on 15 November 2014:

- by post to:
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953
- by facsimile on +61 8 9315 2233
- by email: registrar@securitytransfer.com.au

By order of the Board



Amy Just
Company Secretary
Date: 16 October 2014

PROXIES

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm WST time on 15 November 2014 will be entitled to attend and vote at the AGM.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of South Boulder Mines Limited ABN 56 097 904 302 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Professional Public Relations (PPR), Level 2, 1 Altona Street, West Perth, Western Australia, on 17 November 2014 commencing at 10:00 am.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Mr Paul Michael Donaldson as a Director;
- re-electing Mr Anthony William Kiernan as a Director;
- ratifying the Prior Placement to Kam Lung Investment Development Company;
- approving the 10% Placement Capacity;
- approving an increase in the aggregate fee pool for non-executive directors;
- approving the South Boulder Mines Ltd Performance Rights Plan;
- approving the issue of performance rights to Mr Paul Donaldson; and
- approving the issue of Unlisted Options to Directors.

Financial and Other Reports

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2014 and the accompanying Directors report, Directors' declaration and auditor's report will be laid before the meeting.

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

Resolution 1 – Remuneration Report

1. Introduction

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

- (a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- (b) a description of the relationship between the Company's remuneration policy and the Company's performance;
- (c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- (d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's web site www.southbouldermines.com.au.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

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

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

Resolution 2 – Re-election of Paul Michael Donaldson as a Director

2.1 Introduction

Mr Paul Michael Donaldson was appointed as a Director on 29 April 2014.

In accordance with the Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next AGM of the entity. Accordingly, Mr Paul Donaldson retires from the Board and, being eligible, offers himself for re-election by the Shareholders.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

Mr Donaldson was appointed as Chief Executive Officer in February 2013 and joins South Boulder from a series of senior management roles spanning more than 20 years with BHP Billiton ("BHP"). Mr Donaldson holds a Masters Degree in Business and Technology from the University of NSW and a degree in Chemical Engineering from the University of Newcastle.

At BHP, Mr Donaldson was most recently General Manager of the +50 million tonne per annum Area C Iron Ore operation in Western Australia. He was formerly Manager of Technical Marketing based in Asia, contributing to both product suite and product placement strategies for coking coal, manganese and iron ore. Other highly relevant roles include Manager of Port Operations at the Nelson Point Facility in Western Australia.

Mr Donaldson brings extensive experience in high level business improvement and logistics at base metal operations and a high degree of integrated supply chain management, technical operational management and frontline leadership experience in the steel industry.

Mr Donaldson has not held any former directorships in the last 3 years.

2.3 Directors' Recommendation

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

Resolution 3 – Re-election of Anthony William Kiernan as a Director

3.1 Introduction

Mr Anthony William Kiernan was appointed as a Director on 15 October 2012.

In accordance with Listing Rule 14.4, no Director of the Company may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's Directors must retire at each AGM. Accordingly, Mr Kiernan will retire by rotation and, being eligible, offers himself for re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's Biography

Mr Kiernan has over 25 years of experience in the mining industry and was previously a commercial lawyer. He is currently a corporate advisor and has extensive experience in the administration and operation of public listed companies. He brings particular skills in the areas of Government relations and approvals, corporate strategy and corporate governance, all of which are key areas for the Company as it progresses the development of its key asset, the Colluli Potash Project in Eritrea, East Africa.

Mr Kiernan is currently the Non-Executive Chairman of BC Iron Ltd since 11 October 2006, Non-Executive Chairman of Venturex Resources Limited since 14 July 2010, and Non-Executive Director of Chalice Gold Mines Ltd since 15 February 2007.

In addition, Mr Kiernan was Non-Executive Director of Lontown Resources Limited from 2 February 2006 until 11 November 2013, and was Non-Executive Director of Uranium Equities Limited from 3 June 2003 until 28 November 2013.

3.3 Directors' Recommendation

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

Resolution 4 – Ratification of Prior Placement

4.1 Introduction

On 6 August 2014, the Company issued 10,000,000 Shares at an issue price of \$0.185 each together with 8,000,000 Unlisted Options to raise \$1,850,000.

The funds raised from the issue of the Prior Placement securities will be used by the Company for completion of pre-feasibility and feasibility work for the Colluli Potash Project.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

The Prior Placement Securities were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the ratification of the issue of the Prior Placement securities pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months, without obtaining prior Shareholder approval.

Resolution 4 is an ordinary resolution.

4.2 Information required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Prior Placement securities is provided as follows:

- (a) 10,000,000 Shares and 8,000,000 Unlisted Options were issued and granted pursuant to the Prior Placement.
- (b) The Shares were issued at \$0.185 each and the Prior Placement Options were granted as free attaching Options on the basis of 0.8 Options for every 1 Share subscribed for pursuant to the Prior Placement.
- (c) The Prior Placement Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Prior Placement Options are each exercisable at \$0.35 on or before that day which is 6 months from the ASX release of the pre-feasibility study results in relation to the Colluli Potash Project and otherwise have the terms and conditions set out in Annexure A.
- (e) The Prior Placement securities were issued to Kam Lung Investment Development Company (who is not a related party of the Company).
- (f) The funds raised from the issue of the Prior Placement securities will be used by the Company for completion of pre-feasibility and feasibility work for the Colluli Potash Project.
- (g) A voting exclusion statement is included in the Notice.

Resolution 5 – Approval of 10% Placement Capacity

5.1 Introduction

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and in addition to the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

5.2 Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$27,885,565 as of 1 October 2014.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: STB).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

5.3 Technical Information required by Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before the date on which the price at which the Equity Securities are to be issued is agreed.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.10 50% decrease in Issue Price	\$0.20 Issue Price	\$0.30 50% increase in Issue Price
139,427,826 (Current)	Shares issued	13,942,782 Shares	13,942,782 Shares	13,942,782 Shares
	Funds raised	\$1,394,278	\$2,788,556	\$4,182,835
209,141,739 (50% increase)*	Shares issued	20,914,174 Shares	20,914,174 Shares	20,914,174 Shares
	Funds raised	\$2,091,417	\$4,182,835	\$6,274,252
278,855,652 (100% increase)*	Shares issued	27,885,565 Shares	27,885,565 Shares	27,885,565 Shares
	Funds raised	\$2,788,557	\$5,577,113	\$8,365,670

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 139,427,826 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 1 October 2014.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
4. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under the 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for advancement of the Colluli Potash Project and general working capital; or
- (ii) as non-cash consideration. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation Policy under the 10% Placement Capacity

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

Resolution 6 – Approval to Increase Aggregate Fee Pool for Non-Executive Directors

Clause 11.15 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

ASX Listing Rule 10.17 provides that if a non-executive director is paid, he or she must be paid a fixed sum.

The total aggregate fixed sum per annum to be paid to the non-executive Directors is currently set at \$200,000. Resolution 6 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the non-executive Directors by \$200,000 to \$400,000.

The total amount of Directors' fees payable includes superannuation contributions made by the Company for the benefit of non-executive directors and any fees which a non-executive Director agrees to sacrifice on a pre-tax basis.

The Company proposes to pay non-executive Directors a total of \$181,250 in Directors' fees for the 2015 financial year.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The following securities have been issued to non-executive Directors under Listing Rule 10.11 or 10.14 with Shareholder approvals within the last three years:

Date of Shareholder approval	Director	Detail of securities issued
3 December 2013	Seamus Ian Cornelius	2,000,000 unlisted Options exercisable at \$0.34 each, expiring on 29 November 2016
	Ian Christopher Robertson Gilchrist ¹	1,000,000 unlisted Options exercisable at \$0.34 each, expiring on 29 November 2016
	Anthony William Kiernan	1,000,000 unlisted Options exercisable at \$0.34 each, expiring on 29 November 2016
	Liam Raymond Cornelius	1,000,000 unlisted Options exercisable at \$0.34 each, expiring on 29 November 2016
30 November 2012	Anthony William Kiernan	500,000 unlisted Options exercisable at \$1.50 expiring 30 November 2015 500,000 unlisted Options exercisable at \$2.00 expiring 30 November 2015 225,000 performance rights ²
23 November 2011	David Hughes ¹	300,000 performance rights ³
	Ian Christopher Robertson Gilchrist ¹	200,000 performance rights ³
	Liam Raymond Cornelius	100,000 performance rights ³
	Terry Grammer ¹	100,000 performance rights ³

¹ Messrs Gilchrist, Hughes and Grammer have ceased to be Directors of the Company.

² See Notice of 2012 Annual General Meeting announced to ASX on 30 October 2012 for details of the performance rights and vesting conditions.

³ See Notice of 2011 Annual General Meeting announced to ASX on 21 October 2011 for details of performance rights and vesting conditions.

Resolution 7 – Approval of the South Boulder Mines Limited Performance Rights Plan

7.1 Introduction

The Company's Performance Rights Plan has operated since 2011. The Plan was previously approved at the 2011 Annual General Meeting and is now due for Shareholder re-approval.

The Company is seeking Shareholder approval in accordance with Listing Rule 7.2, Exception 9 and for all other purposes to issue performance rights in the manner set out in the South Boulder Mines Limited Performance Rights Plan (**Plan**). The grant of a performance right gives the holder the right to acquire a Share subject to the terms and conditions

in the Plan (**Performance Right**). Under the Listing Rules, if Shareholders approve the Plan then any Shares issued under the Plan over the next three years do not reduce the Company's 15% Share placement capacity under Listing Rule 7.1. Grants of Performance Rights to Directors require specific Shareholder approval.

7.2 Reasons for the Plan

The purpose of the Plan is to provide recognition to employees of the Company and its subsidiaries for their continued ongoing support of the Company.

The Plan is intended to:

- (a) increase the range of potential incentives available to Directors and employees and to recognise their contribution to the Company's success; and
- (b) strengthen the links between the Company and its Directors and employees.

7.3 Outline of the Plan

A summary of the principal terms of the Plan are as follows:

- (a) Eligible persons include full or part-time employees or contractors (including a Director) of the Company or its subsidiaries who is declared by the Board to be eligible to receive grants of Performance Rights.
- (b) The Board may from time to time, in its absolute discretion, issue invitations in writing to eligible persons inviting applications for the grant of Performance Rights on the terms set out in the Plan and on such additional performance conditions as the Board determines.
- (c) Unless the Board otherwise determines, no amount is payable by an eligible person in relation to the grant of a Performance Right or on vesting of a Performance Right.
- (d) Once a Performance Right has been granted to an eligible person, it is not transferrable except with the prior written consent of the Board.
- (e) Each Performance Right issued to an eligible person will vest on the date specified in the invitation issued by the Company.
- (f) Performance Rights will lapse if the person granted the Performance Right ceases their contractual relationship with the Company or its subsidiaries (except in the case of total and permanent disability, death and such other cases as the Board may determine).
- (g) The terms and conditions of the Plan must at all times comply with the Corporations Act, the Listing Rules, the Constitution of the Company and any other legislation that applies to the Plan.

A copy of the full terms and conditions of the Plan will be sent to shareholders of the Company free of charge on request.

7.4 Issues under the Plan

The Company confirms that, since the date of the last approval for this item at the Company's 2011 Annual General Meeting:

- (a) 1,697,000 Performance Rights have been issued; and
- (b) 75,000 South Boulder Shares in respect of Performance Rights have been issued, to executives of the Company.

Current directors of the Company have received the following Securities under the Plan:

Director	Performance Rights Received
Mr Anthony William Kiernan	225,000
Mr Liam Raymond Cornelius	100,000

Former directors of the Company have received the following Securities under the Plan, which were cancelled upon resignation:

Director	Performance Rights Received
Mr Ian Christopher Robinson Gilchrist	200,000
Mr Terrance Ronald Grammer	100,000

Shares issued on the vesting of Performance Rights will not be issued to Directors or other related parties without the prior approval of Shareholders in accordance with the Listing Rules.

7.5 Directors' recommendations

The Directors, other than Mr Paul Donaldson, unanimously recommend that you vote in favour of Resolution 7.

A voting exclusion statement is included in this Notice.

Resolutions 8-11 – Approval of the grant of Performance Rights to Paul Michael Donaldson

8.1 The Performance Rights

Pursuant to the Plan described above, the Company proposes to issue a total of 2,450,000 Performance Rights to Chief Executive Officer and Managing Director Mr Paul Michael Donaldson as set out in the following resolutions:

- Resolution 8 – 300,000;
- Resolution 9 – 650,000;
- Resolution 10 – 700,000; and
- Resolution 11 – 800,000.

The purpose of issuing the Performance Rights to Mr Donaldson is to provide Mr Donaldson with a long term incentive for outstanding performance and promote opportunities for Share ownership in the Company.

The Performance Rights will be granted as soon as possible following the Meeting and will vest as follows:

- Resolution 8 – 300,000 Performance Rights will vest upon completion of the pre-feasibility study and release of pre-feasibility study results to market;
- Resolution 9 – 650,000 Performance Rights will vest upon completion of the definitive feasibility study and release of definite feasibility study results to market;
- Resolution 10 – 700,000 Performance Rights will vest upon awarding of the Colluli mining licence; and
- Resolution 11 – 800,000 Performance Rights will vest upon commencement of construction of the production facility.

Subject to certain exceptions, the Performance Rights will lapse if the holder ceases its contractual relationship with the Company.

8.2 Chapter 2E of the Corporations Act – Related Party Transactions

The issue of Performance Rights to Mr Donaldson constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

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

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Information for Shareholders in respect of Chapter 2E

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Performance Rights to Mr Donaldson.

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related party to whom this Resolution would permit the benefit to be given:

Paul Michael Donaldson

- (b) The nature of the financial benefit:

The proposed financial benefits to be given are the issue of 2,450,000 Performance Rights to Mr Paul Donaldson. A summary of the rules of the Performance Rights Plan is set out above. Mr Donaldson will not be required to make any payment for the grant of the Performance Rights or on the exercise of a vested Performance Right. The maximum number of Performance Rights that could vest, and hence be exercised, is 2,450,000 Performance Rights.

- (c) Reasons for giving the benefit

The Board independent of Mr Paul Donaldson believe the granting of these Performance Rights to Mr Donaldson will align his rewards with the long-term creation of value for Shareholders.

- (d) Mr Paul Donaldson's existing relevant interest

Mr Donaldson currently holds 250,000 Shares (equal to approximately 0.18% of the Company's issued share capital) and 4,000,000 unlisted Options.

- (e) Total remuneration package

In 2014 Mr Donaldson received a remuneration package of \$376,149 and a long term incentive package of \$10,000 worth of shares and \$63,292 worth of options.

- (f) Dilution

If the Performance Rights granted to Mr Paul Donaldson are exercised, Shares will be issued and dilute current Shareholders interest in the Company as follows:

	Resolution 8	Resolution 9	Resolution 10	Resolution 11
Shares currently on issue	139,427,826	139,427,826	139,427,826	139,427,826
Shares to be issued upon vesting of Performance Rights	300,000	650,000	700,000	800,000
Total shares on issue upon vesting of Performance Rights	139,727,826	140,077,826	140,127,826	140,227,826
Dilution of current shareholders	0.22%	0.47%	0.50%	0.57%

- (g) Valuation of the financial benefit to be given

The valuation of the Performance Rights is as follows:

- Resolution 8 – \$60,000;
- Resolution 9 – \$130,000;
- Resolution 10 – \$140,000; and
- Resolution 11 – \$80,000.

The details of the calculation of the value of the Performance Rights to be issued to Mr Donaldson if Resolutions 8 – 11 are passed are as follows:

	Resolution 8	Resolution 9	Resolution 10	Resolution 11
Details	Input	Input	Input	Input
Share price*	\$0.20	\$0.20	\$0.20	\$0.20
Conversion price	Nil	Nil	Nil	Nil
Valuation date	1 October 2014	1 October 2014	1 October 2014	1 October 2014
Expiry date	23 November 2017	23 November 2017	23 November 2017	23 November 2017
Probability of vesting condition achievement	100%	100%	100%	50%
Value per Performance Right**	\$0.20	\$0.20	\$0.20	\$0.10
Number of Performance Rights	300,000	650,000	700,000	800,000
Value	\$60,000	\$130,000	\$140,000	\$80,000

*The share price set out above is the closing price of the Shares on the ASX on 1 October 2014.

**Value per performance right is calculated by multiplying the share price by the probability of achieving the respective vesting condition.

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

8.3 Information Requirements of Listing Rule 10.14

Listing Rule 10.14 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Performance Rights under the Plan to Mr Paul Donaldson. If Shareholder approval is obtained under Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1 and the proposed issue will not be included in the 15% annual limit permitted by Listing Rule 7.1 of the number of Equity Securities that can be issued without shareholder approval.

For the purposes of Listing Rule 10.15A, the following information is provided to Shareholders with respect to Resolutions 8-11:

- (a) the Performance Rights will be granted to Mr Paul Donaldson, or his nominee, as noted above;
- (b) the maximum number of Performance Rights to be granted is 2,450,000;
- (c) the Performance Rights will be granted for no consideration. In addition, once vested, the Performance Rights become immediately exercisable. Following exercise of the Performance Rights, the Company must issue the Shares. The Shares will be for no consideration;
- (d) no funds will be raised by the grant of the Performance Rights;
- (e) Mr Paul Donaldson, or his nominee, is entitled to participate in the Plan;
- (f) 1,697,000 Performance Rights have previously been issued under the Plan;
- (g) 75,000 South Boulder Shares in respect of Performance Rights have previously been issued;
- (h) directors, or their permitted nominees, have previously received the following Securities under the Plan:

Current directors of the Company have received the following Securities under the Plan:

Director	Performance Rights Received
Mr Anthony William Kiernan	225,000
Mr Liam Raymond Cornelius	100,000

Former directors of the Company have received the following Securities under the Plan, which were cancelled upon resignation:

Director	Performance Rights Received
Mr Ian Christopher Robinson Gilchrist	200,000
Mr Terrance Ronald Grammer	100,000

(i) details of the Performance Rights issued under the Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued and that approval for the issue of Performance Rights was obtained under Listing Rule 10.14;

(j) no loan will be offered to any of the Directors in relation to the acquisition of the Performance Rights or any Shares resultant from the exercise of the Performance Rights;

(k) any persons who become entitled to participate in the Plan after this Resolution is approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and

(l) the Performance Rights will be issued as soon as practicable after the Meeting, but in any event no later than 3 years after the Meeting.

8.4 Directors' recommendations

The Directors, other than Mr Paul Donaldson, unanimously recommend that Shareholders vote in favour of Resolutions 8 to 11.

Mr Donaldson declines to make a recommendation to Shareholders in relation to Resolutions 8 - 11 as he has a material personal interest in the outcome of Resolutions 8 - 11. Mr Donaldson and his associates will not be entitled to vote on Resolutions 8 - 11.

Resolution 12 – Issue of Options to Seamus Ian Cornelius

9.1 Introduction

The Company proposes to issue 1,500,000 Unlisted Options to Seamus Ian Cornelius, a Director of the Company, or his nominee.

The proposed issue of securities to Seamus Ian Cornelius or his nominee requires Shareholder approval under both the Corporations Act and Listing Rules.

9.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarised above in section 8.2 of this Explanatory Memorandum.

Mr Seamus Cornelius is a Director, and therefore related party of the Company, and the issue of the Unlisted Options to him or his nominee constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party. If shareholder approval is obtained under Listing Rule 10.11, shareholder approval is not required under Listing Rule 7.1 and the proposed issue will not be included in the 15% annual limit permitted by Listing Rule 7.1 of the number of Equity Securities that can be issued without shareholder approval.

9.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related party to whom this Resolution would permit the benefit to be given:
Seamus Ian Cornelius
- (b) The nature of the financial benefit:
The proposed financial benefits to be given are the issue of 1,500,000 Unlisted Options to Mr Seamus Cornelius. The terms of the Unlisted Options are set out in Annexure B to this Explanatory Memorandum.
- (c) Reasons for giving the benefit
The Board independent of Mr Seamus Cornelius have determined that the issue of 1,500,000 Unlisted Options to Mr Seamus Cornelius is reasonable and in recognition of the skills and value that Mr Seamus Cornelius brings to the Company.
- (d) Mr Seamus Cornelius' existing relevant interest
Mr Seamus Cornelius currently has a relevant interest in 5,242,799 Shares (equal to approximately 3.8% of the Company's issued share capital). Mr Cornelius also currently holds 2,000,000 unlisted Options.
- (e) Total remuneration package
In 2014 Mr Cornelius received a remuneration package including Director's fees of \$69,261 and a long term incentive package of \$126,583 worth of options.
- (f) Dilution
If the Unlisted Options granted to Mr Seamus Cornelius are exercised, a total of 1,500,000 Shares will be issued. This will increase the number of Shares on issue from 139,427,826 to 140,927,826 and dilute current Shareholders interest in the Company by 1.1%.
- (g) Valuation of the financial benefit to be given
The valuation of the 1,500,000 Unlisted Options is \$189,900 see Annexure C for details.
- (h) Other Information
The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

9.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to Mr Seamus Cornelius, a Director of the Company.
- (b) The maximum number of securities to be issued is 1,500,000 Unlisted Options.
- (c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (d) The Unlisted Options will be issued for nil cash consideration. The terms of the issue are set out in Annexure B.
- (e) A voting exclusion statement is included in the Notice.
- (f) No funds will be raised from the issue. The funds raised if the Unlisted Options are exercised will be used for general working capital.

9.5 Directors' recommendation

The Directors, other than Mr Seamus Cornelius, unanimously recommend that Shareholders vote in favour of Resolution 12.

Mr Seamus Cornelius declines to make a recommendation to Shareholders in relation to Resolution 12 as he has a material personal interest in the outcome of Resolution 12. Mr Seamus Cornelius and his associates will not be entitled to vote on Resolution 12.

Resolution 13 – Issue of Options to Paul Michael Donaldson

10.1 Introduction

The Company proposes to issue 1,000,000 Unlisted Options to Paul Michael Donaldson, a Director of the Company, or his nominee.

The proposed issue of 1,000,000 Unlisted Options to Mr Donaldson or his nominee requires Shareholder approval under both the Corporations Act and Listing Rules.

10.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarised above in section 8.2 of this Explanatory Memorandum.

Mr Donaldson is Director, and therefore related party of the Company, and the issue of Unlisted Options to him or his nominee constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 is summarised above in section 9.2 of this Explanatory Memorandum.

10.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related party to whom Resolution 13 would permit the benefit to be given:
Paul Michael Donaldson
- (b) The nature of the financial benefit:
The proposed financial benefits to be given are the issue of 1,000,000 Unlisted Options to Mr Donaldson. The terms of the Unlisted Options are set out in Annexure B to this Explanatory Memorandum.
- (c) Reasons for giving the benefit
The Board independent of Mr Donaldson have determined that the issue of 1,000,000 Unlisted Options to Mr Donaldson is reasonable and in recognition of the skills and value that Mr Donaldson brings to the Company.
- (d) Mr Donaldson's existing relevant interest
Mr Donaldson currently holds 250,000 Shares (equal to approximately 0.18% of the Company's issued share capital) and 4,000,000 unlisted options.
- (e) Total remuneration package
In 2014 Mr Donaldson received a remuneration package of \$376,149 and a long term incentive package of \$10,000 worth of shares and \$63,292 worth of options.
- (f) Dilution
If the Unlisted Options granted to Mr Donaldson are exercised, a total of 1,000,000 Shares will be issued. This will increase the number of Shares on issue from 139,427,826 to 140,427,826 and dilute current Shareholders interest in the Company by 0.72%.
- (g) Valuation of the financial benefit to be given
The valuation of the 1,000,000 Unlisted Options is \$126,600 see Annexure C for details.

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

10.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to Mr Donaldson.
- (b) The maximum number of securities to be issued is 1,000,000 Unlisted Options.
- (c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (d) The Unlisted Options will be issued for nil cash consideration. The terms of the issue are set out in Annexure B.
- (e) A voting exclusion statement is included in the Notice.
- (f) No funds will be raised from the issue. The funds raised if the Unlisted Options are exercised will be used for general working capital.

10.5 Directors' recommendation

The Directors, other than Mr Donaldson, unanimously recommend that Shareholders vote in favour of Resolution 13.

Mr Donaldson declines to make a recommendation to Shareholders in relation to Resolution 13 as he has a material personal interest in the outcome of Resolution 13. Mr Donaldson and his associates will not be entitled to vote on Resolution 13.

Resolution 14 – Issue of Options to Anthony William Kiernan

11.1 Introduction

The Company proposes to issue 1,500,000 Unlisted Options to Anthony William Kiernan, a Director of the Company, or his nominee.

The proposed issue of securities to Mr Kiernan or his nominee requires Shareholder approval under both the Corporations Act and Listing Rules.

11.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarised above in section 8.2 of this Explanatory Memorandum.

Mr Kiernan is Director, and therefore related party of the Company, and the issue of the 1,500,000 Unlisted Options to him or his nominee constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 is summarised above in section 9.2 of this Explanatory Memorandum.

11.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related party to whom Resolution 14 would permit the benefit to be given:
Anthony William Kiernan
- (b) The nature of the financial benefit:
The proposed financial benefits to be given are the issue of 1,500,000 Unlisted Options to Mr Kiernan. The terms of the Unlisted Options are set out in Annexure B to this Explanatory Memorandum.
- (c) Reasons for giving the benefit

The Board independent of Mr Kiernan have determined that the issue of 1,500,000 Unlisted Options to Mr Kiernan is reasonable and in recognition of the skills and value that Mr Kiernan brings to the Company.

(d) Mr Kiernan's existing relevant interest

Mr Kiernan currently has a relevant interest in 345,000 Shares (equal to approximately 0.25% of the Company's issued share capital) 2,000,000 unlisted Options and 150,000 performance rights.

(e) Total remuneration package

In 2014 Mr Kiernan received a remuneration package including Director's fees of \$65,550 and a long term incentive package of \$70,000 worth of options and \$39,540 worth of performance rights.

(f) Dilution

If the Unlisted Options granted to Mr Kiernan are exercised, a total of 1,500,000 Shares will be issued. This will increase the number of Shares on issue from 139,427,829 to 140,927,826 and dilute current Shareholders interest in the Company by 1.1%.

(g) Valuation of the financial benefit to be given

The valuation of the 1,500,000 Unlisted Options is \$189,900 see Annexure C for details.

(h) Other Information

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

11.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

(a) The securities will be issued to Mr Kiernan, a Director of the Company.

(b) The maximum number of securities to be issued is 1,500,000 Unlisted Options.

(c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.

(d) The Unlisted Options will be issued for nil cash consideration. The terms of the issue are set out in Annexure B.

(e) A voting exclusion statement is included in the Notice.

(f) No funds will be raised from the issue. The funds raised if the Unlisted Options are exercised will be used for general working capital.

11.5 Directors' recommendation

The Directors, other than Mr Kiernan, unanimously recommend that Shareholders vote in favour of Resolution 14.

Mr Kiernan declines to make a recommendation to Shareholders in relation to Resolution 14 as he has a material personal interest in the outcome of Resolution 14. Mr Kiernan and his associates will not be entitled to vote on Resolution 14.

Resolution 15 – Issue of Options to Liam Raymond Cornelius

12.1 Introduction

The Company proposes to issue 1,000,000 Unlisted Options to Liam Raymond Cornelius, a Director of the Company, or his nominee.

The proposed issue of securities to Mr Liam Cornelius or his nominee requires Shareholder approval under both the Corporations Act and Listing Rules.

12.2 Requirement for Shareholder approval

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act is summarised above in section 8.2 of this Explanatory Memorandum.

Mr Liam Cornelius is Director, and therefore related party of the Company, and the issue of 1,000,000 Unlisted Options to him or his nominee constitutes the provision of a financial benefit for the purposes of Chapter 2E of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 is summarised above in section 9.2 of this Explanatory Memorandum.

12.3 Information required by Chapter 2E of the Corporations Act

For the purposes of section 219 of the Corporations Act and ASIC Regulatory Guide 76, the following information is provided to Shareholders to enable them to assess the merits of the resolution:

- (a) The related party to whom Resolution 15 would permit the benefit to be given:
Mr Liam Cornelius
- (b) The nature of the financial benefit:
The proposed financial benefits to be given are the issue of 1,000,000 Unlisted Options to Mr Liam Cornelius. The terms of the Unlisted Options are set out in Annexure B to this Explanatory Memorandum.
- (c) Reasons for giving the benefit
The Board independent of Mr Liam Cornelius have determined that the issue of 1,000,000 Unlisted Options to Mr Liam Cornelius is reasonable and in recognition of the skills and value that Mr Liam Cornelius brings to the Company.
- (d) Mr Liam Cornelius's existing relevant interest
Mr Liam Cornelius currently holds 12,398,806 Shares (equal to approximately 8.89% of the Company's issued share capital), 1,000,000 unlisted options, and 100,000 performance rights.
- (e) Total remuneration package
In 2014 Mr Cornelius received a remuneration package including Director's fees of \$92,206 and a long term incentive package of \$63,292 worth of options and 35,811 worth of performance rights.
- (f) Dilution
If the Unlisted Options granted to Mr Liam Cornelius are exercised, a total of 1,000,000 Shares will be issued. This will increase the number of Shares on issue from 139,427,826 to 140,427,826 and dilute current Shareholders interest in the Company by 0.72%.
- (g) Valuation of the financial benefit to be given
The valuation of the 1,000,000 Unlisted Options is \$126,600 see Annexure C for details.
- (h) Other Information
The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision on whether it is in the best interests of the Company to pass the Resolution.

12.4 Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided about the proposed issue:

- (a) The securities will be issued to Mr Liam Cornelius or his nominee.
- (b) The maximum number of securities to be issued is 1,000,000 Unlisted Options.
- (c) The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
- (d) The Unlisted Options will be issued for nil cash consideration. The terms of the issue are set out in B.
- (e) A voting exclusion statement is included in the Notice.
- (f) No funds will be raised from the issue. The funds raised if the Unlisted Options are exercised will be used for general working capital.

12.5 Directors' recommendation

The Directors, other than Mr Liam Cornelius, unanimously recommend that Shareholders vote in favour of Resolution 15.

Mr Liam Cornelius declines to make a recommendation to Shareholders in relation to Resolution 15 as he has a material personal interest in the outcome of Resolution 15. Mr Liam Cornelius and his associates will not be entitled to vote on Resolution 15.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

10% Placement Capacity	has the meaning as per Resolution 5.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Business Day	means a day in Perth, Western Australia on which ASX is open for trading in securities and banks are open for general banking business.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company or STB	means South Boulder Mines Limited ABN 56 097 904 302.
Constitution	means the Constitution of the Company as adopted by Shareholders from time to time.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Eligible Entity	has the meaning given in the Listing Rules.
Equity Security	has the meaning given in the Listing Rules.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Key Management Personnel	has the same meaning as in the accounting standards and broadly includes 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) of the Company.
Listing Rules	means the listing rules of ASX.
Meeting or AGM	means the Annual General Meeting of the Company the subject of this Notice.
Notice or Notice of Annual General Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire an ordinary fully paid share in the capital of the Company.
Performance Rights Plan or Plan	means the employee incentive plan known as the "South Boulder Mines Ltd Performance Rights Plan" as summarised in section 7.3 of the Explanatory Memorandum.
Prior Placement	has the definition given as per Resolution 4.
Prior Placement Shares	has the definition given as per Resolution 4.
Prior Placement Options	has the definition given as per Resolution 4, issued on the terms as outlined in Annexure A.

Proxy Form	means the proxy form attached to this Notice.
Related Party	has the meaning given in the Corporations Act.
Remuneration Report	means the remuneration report of the Company included in the Directors' Report section of the Company's 2014 Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Unlisted Option	means Options issued on the terms outlined in Annexure B.

ANNEXURE A

TERMS AND CONDITIONS OF UNLISTED PRIOR PLACEMENT OPTIONS

The Options were issued on the following terms:

- (a) Each Option was issued for no consideration.
- (b) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of the exercise price being \$0.35 each (**Exercise Price**).
- (c) The Option will lapse on or before that day which is 6 months from the ASX release of the pre-feasibility study results in relation to the Colluli Potash Project (**Option Term**).
- (d) Each Option will only be capable of exercise upon Kam Lung Investment Development Company (**KLID**) successfully delivering a binding offtake contract for potassium sulphate on commercial terms acceptable to the Colluli Mining Share Company (**CMSC**) board within 6 months of STB's announcement of the pre-feasibility study results to the ASX (**Vesting Condition**).

During the Option Term and subject to satisfaction of the Vesting Condition, the Option holder may exercise some or all of the Options at its sole discretion by giving the Company at least 5 Business Days written notice of its intention to exercise some or all of the Options at the Exercise Price (**Exercise Notice**). The Notice of Exercise must be accompanied by payment in full for the relevant number of Options being exercised.

The Company must, no later than 5 Business Days after receipt of the Exercise Notice and receipt of payment of the Exercise Price per Option exercised:

- (e) allot and issue Shares in the capital of the Company in respect of the Options to which the Exercise Notice refers; and
- (f) ensure that such Shares may be freely offered for sale without disclosure by either:
 - (i) giving a cleansing notice which complies with section 708A(6) of the Corporations Act; or
 - (ii) within 10 business days of the Shares being issued, lodging a prospectus making an offer of Shares as contemplated by section 708(11) of the Corporations Act (in which case the Option holder agrees not offer for transfer such Shares until the prospectus is lodged).

All Shares issued upon the exercise of the Option will rank equally in all respect with the Company's then issued Shares.

If the Option holder exercises some, but not all, of the Options during the Option Term, the Options not exercised remain valid and exercisable by the Option holder until the end of the Option Term.

As soon as possible, but in any event within 5 Business Days after the issue of Shares on exercise of the Options, the Company must:

- (g) apply to the ASX for official quotation of all of the Shares issued on exercise of the Options; and
- (h) procure the dispatch of holding statements to the Option holder evidencing the allotment and issue of the Shares.

The Options are not transferable.

The Options do not entitle the Option holder to any dividends.

If the Company issues Shares pro rata to its shareholder generally by way of a bonus issue (other than in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the Option holder is entitled, upon valid exercise of Options held at the time such pro rata issue is made, to receive an allotment of additional Shares in the Company without the payment of further consideration. The additional Shares allotted must

be equal to the number of Shares the Option holder would have been issued if the Option had been exercised prior to such bonus issue.

There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Option. If the Company offers Shares pro rata generally by way of a rights issue during the Option Term, the Exercise Price of each Option that remains unexercised at the time of the rights issue will be adjusted in the manner provided for in the ASX Listing Rules. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.

In the event of any reorganisation (including consolidations, subdivision, reduction or return) of the issued capital of the Company, all rights of the Option holders will be adjusted (as appropriate) in the manner provided for in the ASX Listing Rules.

Upon valid exercise of all the Options by KLID, the board of directors of STB must exercise commercially reasonable efforts to assess a director nominee proposed by KLID for appointment as a director on the board of directors of STB and to endorse such a nominee should the board of directors of STB deem fit.

ANNEXURE B

TERMS AND CONDITIONS OF UNLISTED OPTIONS

The Options are to be issued on the following terms:

- (a) Each Option shall be issued for no consideration.
- (b) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of the exercise price being 140% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of Shareholder approval per Share subscribed for.
- (c) The Option will lapse at 5.00 pm, Western Standard Time on 17 November 2017 (**Expiry Date**).
- (d) Each Option is transferrable.
- (e) The Options will vest 1 January 2015.
- (f) The Options must be exercised in minimum tranches of 500,000.
- (g) The Options may not be exercised during the months of May and June.
- (h) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (i) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
- (j) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (k) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (l) The Options shall be exercisable in whole or in part at any time and from time to time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of one or more notices in writing (each a "**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares.

The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
- (m) The Company shall as soon as practicable, and no later than 10 business days of exercise of the Options:
 - (i) take steps so that any offer of Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act 2001 (Cth);
 - (ii) allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number.
- (n) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE C

OPTION VALUATION DETAILS

The Unlisted Options were valued using the Black and Scholes Option Valuation Methodology on 1 October 2014.

Details	Input
Share price	\$0.20
Exercise Price	140% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of Shareholder approval per Share subscribed for being \$0.28 for the purposes of this valuation.
Risk Free Rate (RBA Cash Rate)	2.50%
Volatility (Annualised)	114%
Start Date	17 November 2014
Expiry Date	17 November 2017
Dividend yield	0%
Value per Option	\$0.1266



SOUTH BOULDER MINES LTD

ACN: 097 904 302

REGISTERED OFFICE:

GROUND FLOOR
31 VENTNOR AVENUE
WEST PERTH WA 6005



SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

« REF No. »

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

STB

Holder Number:

«HOLDER_No.»

PROXY FORM

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

SECTION A: Appointment of Proxy

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

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00AM on Monday 17 November 2014 at PROFESSIONAL PUBLIC RELATIONS (PPR), LEVEL 2, 1 ALTONA STREET, WEST PERTH WA 6005 and at any adjournment of that meeting.

Chairperson authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairperson of the Meeting as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) (except where I/we have indicated a different voting intention below) even if Resolution 1 (to adopt the Remuneration Report) is connected directly or indirectly with the remuneration of a member of key management personnel for the Company.

SECTION B: Voting Directions

RESOLUTION	For	Against	Abstain		For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of the grant of Performance Rights to Paul Michael Donaldson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Mr Paul Michael Donaldson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval of the grant of Performance Rights to Paul Michael Donaldson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Anthony William Kiernan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of the grant of Performance Right to Paul Michael Donaldson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Prior Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Options to Seamus Ian Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Issue of Options to Paul Michael Donaldson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to Increase Aggregate Fee Pool for Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Issue of Options to Anthony William Kiernan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval of the South Boulder Mines Limited Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Issue of Options to Liam Raymond Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval of the grant of Performance Rights to Paul Michael Donaldson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Sole Director & Sole Company

Security Holder 2

Director Secretary

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00AM on Saturday, 15 November 2014.



STBPX1171114

1

1

STB

STBPX1171114





My/Our contact details in case of enquiries are:

Name:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number:

(

--	--

)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

1. NAME AND ADDRESS

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

2. APPOINTMENT OF A PROXY

If you wish to appoint the chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A.

If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

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

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

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

5. SIGNING INSTRUCTIONS

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

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

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

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

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

6. LODGEMENT OF PROXY

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

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

Security Transfer Registrars Pty Ltd

Postal Address PO BOX 535
Applecross WA 6953 AUSTRALIA

Street Address Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

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

