



**ABN 90 118 710 508**

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## **NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at Level 21, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Wednesday, 25 September 2013 at 11:00am (WST).**

*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 accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9389 2000.***

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# CITATION RESOURCES LTD

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Citation Resources Limited (**Company**) will be held at Level 21, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Wednesday, 25 September 2013 at 11:00am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 23 September 2013 at 11:00am.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 – Ratification of Loan Shares

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 99,000,000 Shares (**Loan Shares**) to on the terms and conditions in the Explanatory Memorandum.”*

#### Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who participated in the issue of the Loan Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person:

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

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## 2. Resolution 2 – Approval of issue of Range Securities

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 170,660,487 Shares and 53,389,750 Listed Options (together, **Range Securities**) to Range Resources Limited or its nominee on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of the Range Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with 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.

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## 3. Resolution 3 – Approval of issue of Additional Loan Securities

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Shares and 50,000,000 Listed Options (together, **Additional Loan Securities**) to unrelated professional and sophisticated investors on the terms and conditions in the Explanatory Memorandum.”*

### Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of Additional Loan Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with 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.

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#### 4. Resolution 4 – Ratification of Additional Placement Shares

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 50,000,000 Shares (**Additional Placement Shares**) to unrelated professional and sophisticated investors on the terms and conditions in the Explanatory Memorandum.”*

##### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by a person who participate in the issue of the Additional Placement Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person:

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

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#### 5. Resolution 5 – Approval of issue of Placement Options

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

*“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 150,000,000 Listed Options (**Placement Options**) to unrelated professional and sophisticated investors on the terms and conditions in the Explanatory Memorandum.”*

##### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of the Placement and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with 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.

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## 6. Resolution 6 – Approval of Placement Facility

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 250,000,000 Shares and 125,000,000 Listed Options (together, **Placement Securities**) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by a person who may participate in the issue of the Placement Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with 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.

### **BY ORDER OF THE BOARD**



Brett Mitchell  
Executive Director  
Dated: 22 August 2013

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# CITATION RESOURCES LTD

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Level 21, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Wednesday, 25 September 2013 at 11:00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 – Ratification of Loan Shares
Section 4:	Resolution 2 – Approval of issue of Range Securities
Section 5:	Resolution 3 – Approval of issue of Additional Loan Securities
Section 6:	Resolution 4 – Ratification of Additional Placement Shares
Section 7:	Resolution 5 – Approval of issue of Placement Options
Section 8:	Resolution 6 – Approval of Placement Facility

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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### **3. Resolution 1 – Ratification of Loan Shares**

#### **3.1 General**

On 3 June 2013 the Company announced that it had reached agreement with Range Resources Limited (**Range**) and its financiers to provide the Company with a working capital facility of up to \$1,000,000, to provide the immediate funding required in order to continue testing operations on the Atzam #4 well at the Atzam Oil Project (**Converting Loan Facility**).

Under the terms of the Converting Loan Facility, the lenders could elect to have their loans repaid or convert their loans into Shares at an issue price of \$0.01 each.

The Company announced on 29 July 2013 it had converted the full loan facility drawn of \$990,000 into 99,000,000 Shares (**Loan Shares**). The Loan Shares were issued under the Company's 15% placement capacity without the need for Shareholder approval.

Resolution 1 seeks Shareholder approval for the ratification of the issue of the Loan Shares pursuant to Listing Rule 7.4.

#### **3.2 Listing Rule 7.4**

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a 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) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 1 by ratifying the issue of the Loan Shares will be to restore the Company's ability to issue further securities, to the extent of 99,000,000 securities, during the next 12 months.

Resolution 1 is an ordinary resolution.

#### **3.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Loan Shares:

- (a) A total of 99,000,000 Loan Shares were issued.
- (b) The Loan Shares were issued at \$0.01 per Share.
- (c) The Loan Shares are all fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue.
- (d) The Loan Shares have been allotted and issued to the funding parties, who are various sophisticated investors who are not related parties or associates of the Company;
- (e) The funds raised from the issue of the issue of the Loan Shares were used to fund the ongoing flow testing programs and activities in relation to the Company's Atzam #4 well and the Atzam Oil Project in Guatemala.
- (f) A voting exclusion statement is included in the Notice.

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## 4. Resolution 2 – Approval of issue of Range Securities

### 4.1 General

The Company announced on 25 January 2013 that Range had agreed to acquire a strategic equity interest in the Company of up to 19.9%, funded through the conversion of loans used for the funding of the Atzam #4 well and acquisition costs of the Atzam Oil Project (**Range Conversion**). Following the issue of this final tranche of securities to Range, the Company will have converted all the existing loan facilities to equity and will be debt free.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the additional issue of up to 170,660,487 Shares at an issue price of \$0.02 each together with 53,839,750 free-attaching Listed Options to Range (together, **Range Securities**) or its nominee in accordance with the Range Conversion.

### 4.2 Listing Rule 7.1

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 2 will be to allow the Directors to issue the Range Securities during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 2 is an ordinary resolution.

### 4.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Range Securities as follows:

- (a) The maximum number of Shares to be issued is 170,660,487. The maximum number of Listed Options to be issued is 53,839,750.
- (b) The Company will issue and allot the Range Securities no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Shares will be allotted at an issue price of \$0.02. The Listed Options will be free-attaching.
- (d) The 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. The Listed Options rank equally with the Company's existing listed options on issue and have the terms and conditions in Schedule 2.
- (e) The funds raised from the issue of the Range Securities were used to partially fund Atzam Oil Project acquisition costs, the testing programs and drilling activities in relation to the Atzam #4 well and the Company's existing oil and gas assets in Guatemala and for general working capital purposes.
- (f) The allotment of the Range Securities will occur as soon as practicable after the Meeting.



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

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## **5. Resolution 3 – Approval of issue of Additional Loan Securities**

### **5.1 General**

The Company announced on 29 July 2013 that, prior to finalising a comprehensive financing package for the development of the Atzam and Tortugas oil fields, the Company has entered into short term loan agreements with unrelated third parties in the amount of up to \$1,000,000.

These loans are unsecured, interest free, and mature on 30 September 2013. In consideration for the loans, in lieu of interest and security, the Company will issue 25 free-attaching Listed Options for every dollar loaned to the Company.

The lenders have the right to convert the loans on equivalent terms to any capital raising undertaken by the Company prior to maturity, or have the loans repaid. On the basis of the terms of the Placement (see Section 6.1), the lenders may elect to convert the loans into Shares at an issue price of \$0.02 each with a free attaching CTRO for every 2 shares purchased, as detailed in the announcements on 7 and 20 August 2013.

Resolution 3 seeks Shareholder approval for the issue of up to 50,000,000 Shares and up to 50,000,000 Listed Options pursuant to Listing Rule 7.1 (together, **Additional Loan Securities**).

### **5.2 Listing Rule 7.1**

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 3 will be to allow the Directors to issue the Additional Loan Securities during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 3 is an ordinary resolution.

### **5.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Additional Loan Securities as follows:

- (a) The maximum number of Shares to be issued is 50,000,000. The maximum number of Listed Options to be issued is 50,000,000.
- (b) The Company will issue and allot the Additional Loan Securities no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Shares will be allotted at an issue price of \$0.02 each. The Listed Options will be free-attaching.
- (d) The 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.

The Listed Options rank equally with the Company's existing listed options on issue and have the terms and conditions in Schedule 2.

- (e) The funds raised from the issue of the Additional Loan Securities will be used to fund the testing programs and drilling activities in relation to the Company's existing oil and gas assets in Guatemala and for general working capital purposes.
- (f) The allotment of the Additional Loan Securities will occur progressively.
- (g) A voting exclusion statement is included in the Notice.

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## **6. Resolution 4 – Ratification of Additional Placement Shares**

### **6.1 General**

The Company announced on 7 August 2013 that it intended to raise \$6,000,000 through a placement to sophisticated investors through the issue of 300,000,000 Shares at \$0.02 each, with one free-attaching Listed Option for every two Shares subscribed for (**Placement**).

The funds raised from the Placement will be used to fully fund the ongoing work programs on the Atzam Oil Project, being the drilling and completion of the Atzam #5 development well, increase Atzam oil storage facilities and provide general working capital.

On 20 August 2013, the Company announced that it had raised \$6,000,000 through the issue of 300,000,000 Shares at \$0.02 each. 250,000,000 of these Shares were issued in accordance with the placement facility approved by Shareholders at the general meeting held on 10 July 2013. The remaining 50,000,000 Shares were issued under the Company's placement capacity under Listing Rule 7.1 (**Additional Placement Shares**).

Resolution 4 seeks Shareholder approval for the ratification of the issue of the Additional Placement Shares pursuant to Listing Rule 7.4.

### **6.2 Listing Rule 7.4**

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a 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) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 4 by ratifying the issue of the Additional Placement Shares will be to restore the Company's ability to issue further securities, to the extent of 50,000,000 securities, during the next 12 months.

Resolution 4 is an ordinary resolution.

### **6.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Additional Placement Shares:

- (a) A total of 50,000,000 Additional Placement Shares were issued.
- (b) The Additional Placement Shares were issued at \$0.02 per Share.
- (c) The Additional Placement Shares are all fully paid ordinary shares in the capital of the Company and rank equally to in all respect with the Company's existing Shares on issue.
- (d) The Additional Placement Shares have been allotted and issued by way of placements to various sophisticated investors who are not related parties or associates of related parties of the Company.
- (e) The funds raised from the Placement will be used to fully fund the immediate work programs on the Atzam Oil Project, being the drilling and completion of the Atzam #5 development well, increase Atzam oil storage facilities and provide general working capital.
- (f) A voting exclusion statement is included in the Notice.

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## **7. Resolution 5 – Approval of issue of Placement Options**

### **7.1 General**

As part of the Placement described in Section 6, the Company will issue one free-attaching Listed Option for every two Shares subscribed for. As a total of 300,000,000 Shares were issued under the Placement, a total of 150,000,000 Listed Options (**Placement Options**) will be issued.

Resolution 5 seeks Shareholder approval for the issue of the Placement Options pursuant to Listing Rule 7.1.

### **7.2 Listing Rule 7.1**

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 5 will be to allow the Directors to issue the Placement Options during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 5 is an ordinary resolution.

### **7.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Placement Options as follows:

- (a) 150,000,000 Placement Options will be issued.
- (b) The Company will issue and allot the Placement Options no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Placement Options will be free-attaching to the Shares issued under the Placement.

- (d) The Placement Options rank equally with the Company's existing listed options on issue and have the terms and conditions in Schedule 2.
- (e) No funds will be raised from the issue of the Placement Options.
- (f) The Listed Options will be issued as soon as practicable after the date of the Meeting.
- (g) A voting exclusion statement is included in the Notice.

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## **8. Resolution 6 – Approval of Placement Facility**

### **8.1 General**

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 250,000,000 Shares each at an issue price of not less than 80% of the average market price of Shares for the last five days on which sales of Shares are recorded before the day on which the issue will be made or, if there is a prospectus relating to the issue, over the last five days on which sales of Shares are recorded before the date the prospectus is signed, together with up to 125,000,000 free-attaching Listed Options (together, **Placement Securities**).

The funds raised from the issue of the Placement Securities will be used to fund the testing programs and drilling activities in relation to the Company's existing oil and gas assets in Guatemala and for general working capital purposes.

### **8.2 Listing Rule 7.1**

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue.

The effect of Resolution 5 will be to allow the Directors to issue the Placement Securities during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

Resolution 5 is an ordinary resolution.

### **8.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the approval of the issue of the Placement Securities as follows:

- (a) The maximum number of Shares to be issued is 250,000,000. The maximum number of Listed Options to be issued is 125,000,000.
- (b) The Company will issue and allot the Placement Securities no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Shares will be allotted at an issue price of not less than 80% of the average market price of Shares for the last five days on which sales of Shares are recorded before the day on which the issue will be made or, if there is a prospectus relating to the issue, over the last five days on which sales of the Shares are recorded before the date the prospectus is signed.

- (d) The 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. The Listed Options rank equally with the Company's existing listed options on issue and have the terms and conditions in Schedule 2.
- (e) The funds raised from the issue of the Placement Securities will be used to fund the testing programs and drilling activities in relation to the Company's existing oil and gas assets in Guatemala and for general working capital purposes.
- (f) The allotment of the Placement Securities will occur progressively.
- (g) A voting exclusion statement is included in the Notice.

## Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

**\$ or A\$** means Australian dollars.

**Additional Loan Securities** has the meaning given in Section 5.1.

**Additional Placement Shares** has the meaning given in Section 6.1.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Company** means Citation Resources Ltd (ACN 118 710 508).

**Converting Loan Facility** has the meaning given in Section 3.1.

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

**Directors** mean the directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum.

**Listed Option** means an Option on the terms and conditions in Schedule 2.

**Listing Rules** means the listing rules of ASX.

**Loan Shares** has the meaning given in Section 3.1.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means the Notice of Meeting which this Explanatory Memorandum accompanies.

**Option** means an option which entitles the holder to subscribe for one Share.

**Placement** has the meaning given in Section 6.1.

**Placement Options** has the meaning given in Section 7.1.

**Placement Securities** has the meaning given in Section 8.1.

**Proxy Form** means the proxy form attached to the Notice.

**Range** means Range Resources Limited ACN 002 522 009.

**Range Conversion** has the meaning given in Section 4.1.

**Range Securities** has the meaning given in 4.1.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

## **Schedule 2 – Options Terms and Conditions**

### **(a) Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### **(b) Exercise Price and Expiry Date**

The Options have an exercise price of \$0.04 (**Exercise Price**) and an expiry date of 15 December 2015 (**Expiry Date**).

### **(c) Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

### **(d) Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

### **(e) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then shares of the Company.

### **(f) Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

### **(g) Timing of issue of Shares**

Within 15 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will allot and issue the Shares pursuant to the exercise of the Options.

### **(h) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

### **(i) Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would



have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

**(j) Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

**(k) Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**(l) Quotation of the Options**

The Company will apply for quotation of the Options on ASX.

**(m) Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

# CITATION RESOURCES LTD

ACN 118 710 508

## PROXY FORM

The Company Secretary  
Citation Resources Limited

**By delivery:**

Level 21, Allendale Square  
77 St George's Terrace  
PERTH WA 6000

**By post:**

PO Box Z5446  
St Georges Tce  
PERTH WA 6831

**By facsimile:**

+61 8 9389 2099

I/We <sup>1</sup> \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to \_\_\_\_\_

votes in the Company, hereby appoint <sup>2</sup> \_\_\_\_\_

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Company to be held at Level 21, Allendale Square, 77 St Georges Terrace, Perth, Western Australia on Wednesday, 25 September 2013 at 11:00am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

**Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

### Voting on Business of the Meeting

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

		For	Against	Abstain
Resolution 1	Ratification of Loan Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Range Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Additional Loan Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Additional Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

<sup>1</sup> Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

**Proxy Notes:**

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

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

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

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

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

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

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

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 21 Allendale Square, 77 St George's Terrace, Perth, WA, 6000, or by post to PO Box Z5446, St Georges Tce, Perth, WA 6831 or by facsimile (08) 9389 2099 if faxed from within Australia or +61 8 9389 2099 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).