
EHG CORPORATION LIMITED

ACN: 009 366 009

NOTICE OF GENERAL MEETING

TIME: 11.00 A.M. (AEST)

DATE: FRIDAY 14 JUNE 2013

VENUE: NICOLS + BRIEN
LEVEL 2
350 KENT STREET
SYDNEY NSW 2000
AUSTRALIA

Notice of General Meeting

EHG CORPORATION LIMITED

ACN: 009 366 009

Notice is hereby given that the General Meeting of EHG Corporation Limited (the **Company**) will be held at:

Venue: Nicols + Brien
 Level 2
 350 Kent Street
 SYDNEY NSW 2000

Date: Friday 14 June 2013

Time: 11.00 a.m. (AEST)

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

AGENDA

Ordinary Resolutions

1. **Re-Election of Mr Greg Cornelsen as Director**

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

“That, in accordance with the Company’s Constitution and for all other purposes, Mr Greg Cornelsen, who retires by rotation in accordance with the Company’s Constitution, offers himself for re-election and is hereby re-elected as a Director of the Company”.

2. **Approval for the Issue of Shares**

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

“That for the purposes of Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Directors to allot and issue up to a maximum of 62,500,000 fully paid ordinary Shares in the capital of the Company at an issue price of \$0.008 per Share, for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the

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

3. Approval for the Issue of Shares on Conversion of Convertible Loans

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

“That for the purposes of Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Directors to allot and issue up to a maximum of 18,750,000 fully paid ordinary Shares in the capital of the Company upon conversion of convertible loans on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice”.

4. Approval for a new Company Constitution

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

“That, for the purposes of Section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the meeting for identification purposes”.

General Business

To consider any other business that may be brought forward in accordance with the Constitution of the Company or the Corporations Act.

By Order of the Board



Steven Nicols
Director
03 May 2013

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of Shareholders to be held on Friday 14 June 2013 at 11.00 a.m.

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

Resolution 1 – Re-Election of Mr Greg Cornelsen

The Constitution requires that at the Company's next General Meeting one third of the Directors for the time being shall retire from office.

In accordance with the Constitution Mr Greg Cornelsen retires as a Director and, being eligible, offers himself for re-election as Director of the Company.

Mr Greg Cornelsen was appointed to the Board on 15 October 2012 and has assisted in the recapitalisation of the company and its re-positioning.

Resolution 2 – Approval for the Issue of Shares

Resolution 2 seeks Shareholder approval for the allotment and issue of up to a maximum of 62,500,000 Shares at an issue price of \$0.008 per Share to raise a total of \$500,000.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions (which are not applicable in this case) issue during any 12 month period any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in general meeting.

The Company is seeking approval under Listing Rule 7.1 for the proposed issue of up to a maximum of 62,500,000 fully paid Ordinary Shares to allow this number of Shares not to be included in the Company's 15% annual placement capacity calculation. This will enable the Company to have the flexibility to issue securities in the future up to the 15% threshold without having to obtain prior Shareholder approval.

Technical Information Required by ASX Listing Rule 7.3

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

- (a) the maximum number of Shares to be issued is 62,500,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or

modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the issue price of the Shares will be \$0.008 each;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Directors will determine to whom the Shares will be issued, who are unknown as at the date of this Notice of Meeting but will predominately come from South East Asia given that the capital raising environment for small caps in Australia is currently very difficult. The investors will be professional and sophisticated and be introduced to the Company through the network of corporate advisors that the current Board of Directors has established. These persons will not be related parties of the Company;
- (f) if the Company raises the \$500,000 funds from the issue it is intended that the funds will be allocated as follows:
 - i. Approximately \$100,000 on the due diligence process; and
 - ii. Approximately \$400,000 on working capital requirements

At this point in time, the exact allocation of funds has not been budgeted per line item but will be around the following activities:

Description	Anticipated Expenditure
Gaining access to the data room of EG Mining Pte Limited	10,000
Feasibility studies	20,000
Environmental Impact Assessments	40,000
Due diligence meetings which involve legal, directors and company secretarial work	30,000
Accounting and audit fees	100,000
Directors, legal and secretarial fees	130,000
Printing and dispatch of Notice of General Meeting	18,000
Capital raising costs	25,000
Other general expenses (for example registry costs, ASX annual listing fees; ASIC fees; travel and accommodation)	127,000

As announced on 8 March 2013 the Company is looking to acquire the sub-licence interest to mine, process, extract and sell all minerals from the North Hwanghae Province projects in the Democratic People's Republic of Korea.

If this transaction is approved by Shareholders mid-year then this represents a significant change in the nature and scale of business activity and the Company will be required by the ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

This re-compliance process will involve significant work and costs but none of the \$500,000 raised; the subject of Resolution 2 will be used for the re-capitalisation process.

The issue of Shares during the period until re-listing may be subject to escrow in accordance with ASX Listing Rule 9.1. The period of escrow is normally 24 months from the date the Shares are ASX quoted.

The matter of whether Shares will be subject to escrow will be part of the process when re complying with Chapters 1 and 2 of the ASX Listing Rules.

If Resolution 2 is approved by Shareholders the Shares issued will comprise approximately 38% of the Company's share capital (calculated following completion of the issue).

The Board recommends Shareholders vote in favour of Resolution 2 as the issue of up to a maximum of 62,500,000 Shares is beneficial to the Company bringing in valuable working capital together with allowing EHG Corporation Limited the ability to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

Resolution 3 – Approval for the Issue of Shares on Conversion of Convertible Loans

The company has raised a total of \$150,000 from the issue of convertible loans to sophisticated, professional, or exempt investors as part of the \$436,000 in fresh capital raised by the company, and announced to ASX on 11 February 2013. The Company has used \$150,000 of the funds to purchase pumping equipment as part of its due diligence of the potential project announced to ASX on 8 March 2013.

Resolution 3 seeks Shareholder approve for the allotment and issue of 18,750,000 shares upon conversion of the convertible loans at a deemed issue price of \$0.008 a share.

The effect of Resolution 3 will be to allow the directors to issue the Shares on conversion of the convertible loans during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Technical Information required by ASX Listing Rule 7.3

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

- (a) the total number of Shares to be issued is 18,750,000;
- (b) Issue and allotment of the Shares will be no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price will be \$0.008 per share;
- (d) the Shares issue will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) no related parties will be issued shares as part of the capital raising; and
- (f) The shares will be offered to those creditors of the Company who will sign the Creditors Converting Loan Agreements and comprise the following Creditors;

Creditors/Converting Loans	Shares Allotted
Cairnglen Investments Pty Ltd	6,250,000
Amanda Urquhart	2,000,000
Bruce Meppem	3,000,000
Christopher Asbury	1,000,000
Yeoh Shin Min	4,000,000

Yeoh Jo Min	2,000,000
Yeoh Li Min	500,000
Total	18,750,000

- (g) the Company has used the funds raised for purchase of pumping equipment.

Resolution 4 – Replacement of Constitution

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 4 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (Proposed Constitution) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2002.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating the name of the Company to that adopted in Resolution 6;
- (b) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASIC Settlement Rules and ASIC Transfer); and
- (c) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum however a summary of the proposed material changes is set out below:

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website, www.ehgcorp.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9367 8133). Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes

Minimum Shareholding (clause 3)

Clause 14 of the Constitution outlined how the Company can manage shareholdings which represent an “unmarketable parcel” of shares, being a shareholding that is less than \$500 based on the closing price of the Company’s Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with “unmarketable parcels” outlined in the Corporations Act such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with unmarketable parcels.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a “reasonable fee” for registering paper-based transfers, sometimes referred to “off-market transfers”.

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Dividends (clause 21)

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

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

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profit of the company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 35)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholders shares.

Pursuant to Section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoptions of last renewal of the clause.

Information required by Section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of their Shares. By making a partial bid, a bidder can obtain practical control of the company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in enduring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 4.

EHG Corporation Limited
ACN: 009 366 009

Proxy Form

Please return this Proxy Form to the following address

Nicols + Brien
Level 2, 350 Kent Street
SYDNEY NSW 2000 AUSTRALIA

Or

Facsimile on 02 9299 2239 (within Australia)
+61 2 9299 2239 (outside Australia)

Member Details

Name:

Address:

Contact Telephone No

Appointment of Proxy

I/We being a member/s of EHG Corporation Limited and entitled to attend and vote hereby appoint:

A ☐ Write here the name of the person you are appointing if this person is someone other than the Chairman of the meeting
Mark the above with an "X" if the Chairman of the Meeting is to be your proxy OR

Or failing the person names, or if no person is named, the Chairman of the meeting, as my/our proxy to attend and act generally of 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 General Meeting of EHG Corporation Limited to be held at the office of Nicols + Brien, Level 2, 350 Kent Street, Sydney, NSW 2000 on Friday 14 June 2013 at 11.00 a.m. (AEST) and at any adjournment of that meeting.

AND

If you wish to direct your proxy how to vote on any or all of the Resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that Resolution and your votes will not be included on a show of hands or on a poll.

If you appoint the Chairman of the Meeting as your proxy and you do not give directions on how to vote on a particular Resolution, the Chairman intends to vote in favour of the Resolutions.

		For	Against	Abstain
Resolution 1.	Re-Election of Mr Greg Cornelsen as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Approval for the Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Approval for Converting Loans to shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Approval for a new Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the Abstain box for resolutions 1 to 4 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.

If you wish to appoint a second proxy, state the % of your voting rights applicable %
to the proxy appointed by this form

PLEASE SIGN HERE:-

Individual or Member 1

Sole Director and
Sole Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Date: ____/____/2013

VOTING

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the General Meeting will be the entitlement of that person set out in the Company's share register as at 11.00 a.m. (AEST) on Wednesday 12 June 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting exclusions apply to Resolution 2 of this Notice as set out under the relevant heading "Voting Exclusions" under the Resolutions.

Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

Voting by Proxy

Shareholders should complete the Proxy Form if they do not wish to attend the Meeting and wish to appoint a proxy to attend and vote on their behalf. If you intend to attend the Meeting, you do not need to complete the Proxy Form. However, please bring the Proxy Form with you to the Meeting to assist with your registration.

You may still attend the Meeting even if you have appointed a proxy. However, your proxy's authority is suspended in relation to any Resolutions on which you choose to vote personally.

Any person can be appointed as proxy to vote for and on behalf of you for the purposes of the Meeting.

Appointing a second proxy

You may appoint up to 2 persons to act as your proxy to attend and vote on your behalf. If you wish to do this you must use a separate proxy form in respect of each proxy and indicate the percentage of your voting rights or the number of Shares that each proxy is appointed in respect of each Proxy Form. You should photocopy the enclosed Proxy Form or request an additional Proxy Form to be sent to you.

Signing instructions

Individuals	The individual, who is the Shareholder, or his or her attorney, my sign the form
Joint Holding	Each person who is a joint Shareholder, or their attorney, must sign the form
Companies:	The company that is the Shareholder must sign the form in accordance with Section 127 of the Corporations Act either by a director jointly with either another director or a company secretary, or where the company has a sole director who is also the sole company secretary (or there is no company secretary), by that director.
Power of Attorney:	Any shareholder signing under a power of attorney must attach a certified photocopy of the power of attorney document to this form.

Lodging your proxy form

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at the address given below no later than 11.00 a.m. (AEST) on Wednesday 12 June 2013. Any Proxy Form received after that time will not be valid for the scheduled meeting.

In person: EHG Corporation Limited
Level 2
350 Kent Street
SYDNEY NSW 2000 AUSTRALIA

By Mail: EHG Corporation Limited
GPO Box 166
SYDNEY NSW 2001

By Fax: (within Australia) 02 9299 2239
(outside Australia) +61 2 9299 2239

Phone Enquiries: +61 2 9299 2289

EHG Corporation Limited
ACN: 009 366 009

Corporate Representative Form

Please return this Appointment Form of Corporate Representative to the following address:

Nicols + Brien
Level 2, 350 Kent Street
SYDNEY NSW 2000 AUSTRALIA

Or
Facsimile on (02) 9299 2239 (within Australia)
+61 2 9299 2239 (outside Australia)

Shareholder Details

This is to certify that by a resolution of the directors of:

(Insert Company Name) ACN: _____

(Insert Address)

The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the General Meeting of Shareholders of EHG Corporation Limited ACN 002 876 182 to be held on Friday 14 June 2013 at 11.00 am (AEST) and at any adjournment or postponement of the General Meeting, or any meeting arising from the General Meeting.

Dated this _____ day of _____ 2013.

Executed by

In accordance with Section 127 of the Corporations Act 2001:

Director

Director/Secretary

Name of Authorised Representative

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Signed by Authorised Representative
