



ABN 53 117 086 745

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

EXPLANATORY MEMORANDUM

AND

PROXY FORM

10:00 AM (WST) TUESDAY 26 NOVEMBER 2013

AT

3 KIMBERLEY STREET, WEST LEEDERVILLE WA 6007

This Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form 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 without delay.

**NOTICE OF MEETING
EMMERSON RESOURCES LIMITED**

Notice is hereby given that the Annual General Meeting of Emmerson Resources Limited ("Company" or "Emmerson") will be held at 3 Kimberley Street, West Leederville WA 6007 on Tuesday 26 November 2013 commencing at 10:00 am (WST) for the purpose of transacting the following business:

AGENDA

ANNUAL ACCOUNTS

To receive and consider the Annual Financial Report, Directors' Report, Directors' Declaration and Audit Report for the year ended 30 June 2013. The Annual Financial Report is available at the website of the Company (www.emmersonresources.com.au) under "Shareholders", "Annual Reports".

RESOLUTION 1 - RE-ELECTION OF MR TIMOTHY KESTELL

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

"That Mr Timothy Kestell who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 2 - RE-ELECTION OF MR SIMON ANDREW

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

"That Mr Simon Andrew who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 3 - ADOPTION OF REMUNERATION REPORT

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

"That the Remuneration Report (included from page 18 to page 25 of the Directors Report of the Company's 2013 Annual Report) for the year ended 30 June 2013 be adopted."

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

RESOLUTION 4 – SPILL RESOLUTION

If (and only if) at least 25% of the votes cast on Resolution 3 are against that resolution, the Company is required to put the following resolution to the Meeting.

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

“That:

- (a) a general meeting of the Company (spill meeting) be held within 90 days of the AGM;*
- (b) all the Company’s Directors (other than the Managing Director of the Company) who were Directors of the Company when the resolution to make the Directors’ Report considered at this AGM was passed (such directors being Mr Andrew McIlwain, Mr Timothy Kestell and Mr Simon Andrew), cease to hold office immediately before the end of the spill meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting pursuant to paragraph (b) above must be put to the vote at the spill meeting.”*

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

OTHER BUSINESS

To transact any other business that may be legally brought before the meeting.

By order of the Board



Trevor Verran
Company Secretary
24 October 2013

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Emmerson Resources Limited ("Company" or "Emmerson") in connection with the business to be conducted at the Annual General Meeting to be held at 3 Kimberley Street, West Leederville WA 6007 on Tuesday 26 November 2013 commencing at 10:00 am (WST).

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

This Explanatory Memorandum 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.

ANNUAL ACCOUNTS

The Corporations Act requires the Financial Report and accompanying Directors' Report, Directors' Declaration and Audit Report for the year ended 30 June 2013 to be laid before the Meeting. No resolution will be required to be passed on this matter, however, shareholders will have an opportunity to ask questions and comment the reports at the AGM.

RESOLUTION 1 - RE-ELECTION OF MR TOMOTHY KESTELL

The Company's Constitution requires that at the Annual General Meeting, one-third of the Directors shall retire from office. In accordance with this requirement Mr Kestell retires and being eligible, has offered himself for re-election as a Director.

Mr Kestell was appointed as a Director of the Company on 10 November 2005 and is a Non-Executive Director of the Company. Details of Mr Kestell background and experience are set out in the Annual Report.

The Board (excluding Mr Kestell) recommends that Shareholders vote in favour of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 - RE-ELECTION OF MR SIMON ANDREW

The Company's Constitution requires that at the Annual General Meeting, one-third of the Directors shall retire from office. In accordance with this requirement Mr Andrew retires and being eligible, has offered himself for re-election as a Director.

Mr Andrew was appointed as a Director of the Company on 21 July 2006 and is a Non-Executive Director of the Company. Details of Mr Andrew background and experience are set out in the Annual Report.

The Board (excluding Mr Andrew) recommends that Shareholders vote in favour of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 - ADOPTION OF REMUNERATION REPORT

Resolution 3 seeks Shareholder approval for the adoption of the Remuneration Report for the year ended 30 June 2013.

Prior to voting on this Resolution there will be an opportunity for Shareholders to ask questions and comment about the Remuneration Report for the year ended 30 June 2013 which is included from page 18 to page 25 of the Directors Report of the Company's 2013 Annual Report. The vote on the proposed resolution is advisory only and will not bind the Directors or the Company.

However recent changes to the Corporations Act which came into effect on 1 July 2011 give Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (Two Strikes Rule).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

More than 25% (27.87%) of the votes cast at the Company's 2012 annual general meeting were against the resolution to adopt the Remuneration Report (First Strike). In respect of the Remuneration Report for 2012, it should be noted that the Company did not receive any questions related to the report at the AGM and the Company's remuneration practices and report structure had not changed from the 2011 year, when the resolution was passed with proxy votes against the resolution less than 1%.

The Company has not received any adverse feedback in relation to its remuneration practices. In fact the recent 10% reduction in the Managing Director's remuneration and suspension of 100% of Director fees has been applauded.

Immediately prior to the 2012 AGM the company was requested to confirm that the Company's Incentive Option Scheme did not extend to participation by Non-executive Directors. Non-executive directors presently do not hold any options over ordinary shares and the Company's Incentive Option Scheme does not allow Non-executive Directors to participate. All final options previously held by Non-executive Directors expired unexercised during the 2013 financial year. Non-executive directors have never received any rights under the Performance Rights Plan and have resolved not to be eligible to participate in the Performance Rights Plan. Share-based payments cannot be granted to Directors or Associates of the Company unless prior approval of Shareholders is obtained in accordance with the Listing Rules.

Other than to exclude Non-executive Directors from eligibility to participate in Company's Incentive Option Scheme and Performance Rights Plan, the Company's remuneration practices remain the same.

The Board takes seriously the need to ensure that executive remuneration achieves an appropriate balance between the interests of Shareholders and the need to attract and retain management who have the skills and expertise necessary to drive the company forward. Having had regard to a number of factors including the size of the company, the nature of its operations, conditions in the executive employment market pertaining to its industry, and having obtained expert advice, the Board has confirmed its view that the Company's remuneration structure is reasonable and appropriate.

Following the Company's First Strike at the 2012 AGM, if 25% or more of the votes cast at this year's AGM are against Resolution 3, the Company will receive its Second Strike and Resolution 4 will be required to be put to the 2013 AGM.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that the consequences are that it may result in the re-election of the Board.

If less than 25% of votes cast on Resolution 3 are against that resolution then Resolution 4 will not be tabled at the AGM.

The Board recommends that Shareholders vote in favour of Resolution 3. The Chairman intends to exercise all undirected proxies in favour of Resolution 3. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 3, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

RESOLUTION 4 – SPILL RESOLUTION

As set out above in the Explanatory Memorandum relating to Resolution 3, the Directors' Report for the year ended 30 June 2013 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company. In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2013 Annual Report.

At the Company's 2012 AGM last year, over 25% (27.87%) of the votes cast were against the adoption of the Remuneration Report. Accordingly, last year the Company received a "First Strike". If the votes cast against the adoption of this year's Remuneration Report are again 25% or more of the total votes cast, the Company will receive its "Second Strike" and will be required to put this Resolution 4 to the AGM, to approve calling a general meeting (Spill Resolution). Please refer to the Explanatory Memorandum for Resolution 3 for further information on the Two Strike Rule.

Accordingly, this Notice of Meeting includes a "conditional" Spill Resolution (Resolution 4) which will be put to Shareholders only if at least 25% of the votes cast are against Resolution 3 and the Company therefore receives a Second Strike; otherwise Resolution 4 will be withdrawn.

If more than 50% of Shareholders vote in favour of this Resolution 4 "the Spill Resolution", the Company must convene a general meeting (spill meeting) within 90 days of the AGM. All of the Directors who were in office when the Directors' Report was approved, other than the Managing Director (namely Mr Andrew McIlwain, Mr Timothy Kestell and Mr Simon Andrew) will (if this Resolution is approved) need to stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

If Mr Andrew McIlwain, Mr Timothy Kestell and Mr Simon Andrew are re-elected at this year's AGM, they will still need to be re-elected at the spill meeting to remain in office after the spill meeting if Shareholders vote to move to a Spill Meeting if a "Second Strike" eventuated.

Shareholders may vote against the adoption of the Remuneration Report (Resolution 3), but may still vote against a spill meeting being held. If Resolution 4 is defeated, there will be no Board spill and the current Directors will remain and hold office in accordance with the Constitution of the Company.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the spill meeting. If at the spill meeting, three directors are not appointed by ordinary resolution, the directors taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the spill meeting on the resolution for their appointment (even if less than half the votes cast on the resolution were in favour of their appointment).

The Board believes that the passing of Resolution 4 is not beneficial for the Company as it will create uncertainty as to the future of the Company. Accordingly, the Directors believe that Resolution 4 is **NOT** in the best interests of the Company and unanimously recommend that Shareholders vote **AGAINST** this Resolution.

DATED this 24 October 2013

BY ORDER OF THE BOARD

GLOSSARY OF TERMS

In this Explanatory Memorandum and accompanying Notice of Meeting the following words and expressions have the following meanings:

"Annual General Meeting" or **"AGM"** or **"Meeting"** means the meeting convened by this Notice.

"Annual Report" means the Company's Annual Report for the year ended 30 June 2012 containing the Financial Report, the Directors' Report and the Auditors Report.

"Associate" has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

"ASX" means ASX Limited;

"Auditor's Report" means the Auditor's Report on the Financial Report.

"Board" means the board of Directors of the Company.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

"Company" or **"Emmerson"** means Emmerson Resources Limited (ABN 53 117 086 745);

"Constitution" means the constitution of the Company.

"Corporations Act 2001" means Australian Corporations Act 2001 (Cth);

"Directors" mean the directors of Emmerson Resources Limited from time to time.

"Directors' Report" means the annual Directors' Report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

"Explanatory Memorandum" means the information attached to the Notice of Meeting which provides information to Shareholders about the resolutions contained in the Notice of Meeting;

"Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"Listing Rules" means the Listing Rules of ASX.

"Notice of Meeting" or **"Notice"** means this notice of meeting including the Explanatory Memorandum and the Proxy Form;

"Proxy Form" means the proxy form accompanying this Notice.

"Remuneration Report" means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

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

"Share" means ordinary fully paid share in the Company;

"Shareholder" means a registered holder of a Share.

"WST" means Australian Western Standard Time;

PROXY FORM



ABN 53 117 086 745

Lodge your vote:

Mail to:

Emmerson Resources Limited
PO Box 1573
West Perth WA 6872

Fax to:

Within Australia (08) 9381 5375
Outside Australia +61 8 9381 5375

Scan and email to:

admin@emmersonresources.com.au

Appointment of Proxy

I/We being the above named member/s of Emmerson Resources Limited and entitled to attend and vote hereby appoint

<input type="checkbox"/>	The Chairman of the Meeting (mark with an 'X')	OR	<input type="text"/>	Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting
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or failing the person named, or if no person is named, the Chairman 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 Emmerson Resources Limited to be held at 3 Kimberley Street, West Leederville WA 6007 on Tuesday 26 November 2013 commencing at 10:00 am (WST) and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 3 and against Resolution 4.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 4 by marking the appropriate box below.

Voting directions to your proxy – please mark X to indicate your directions

As stated in the Notice of Meeting, the directors recommend that you vote **FOR** Resolutions 1 to 3

		For	Against	Abstain*
Resolution 1	Re-Election of Mr Timothy Kestell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Simon Andrew as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As stated in the Notice of Meeting, the directors recommend that you vote **AGAINST** Resolution 4

		For	Against	Abstain*
Resolution 4	Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

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

Individual or Securityholder 1

Sole Director and Sole Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make corrections on this form. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two 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 telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

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

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing 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 produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 10:00am on Tuesday 26 November 2013. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy form may be lodged by:

Mail to: Emmerson Resources Limited PO Box 1573 West Perth WA 6872	Fax to: Within Australia (08) 9381 5375 Outside Australia +61 8 9381 5375	Scan and email to: admin@emmersonresources.com.au
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