



ABN 15 117 330 757

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 9 November 2017 at 11:00 AM (WST).

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.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6424 9000.

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6 October 2017

CHAIRMAN'S LETTER

NOTICE OF ANNUAL GENERAL MEETING

Dear fellow shareholders

It is with pleasure that I invite you to join our directors and management team at our 2017 Annual General Meeting which is to be held at 11am on Thursday 9 November at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

Over the last 12 months your Company has made great progress towards successfully developing our Epanko Graphite Project into a new mining operation and we look forward to delivering upon that goal and rewarding the commitment and support you have provided to enable us to reach our present position.

Our updated bankable feasibility study is complete and bank appointed Independent Engineers SRK (UK) Consulting have confirmed that it satisfies international project financing standards, including the Equator Principles' requirements for global best practice in social and environmental risk management.

The bankable feasibility study demonstrates a highly attractive and robust business case for the development of the Epanko Graphite Project and your Company has been progressing discussions with its banking partners and potential strategic investors in order to finalise a funding package to support development and construction.

Although this process has been impacted by the uncertainty created after the recent passing of new mining laws in Tanzania, your Company has embarked upon a bi-lateral process of engagement with the Tanzanian Government in order to reach agreement on conditions that will enable the project to be developed as planned. At the same time, we have implemented a range of operating changes to conserve shareholder funds and provide sufficient cash reserves to accommodate the delay that these new mining laws have created.

We remain confident that our dialogue with the Tanzanian Government will ultimately achieve a successful outcome for all stakeholders, but we must, as always, be prudent in our cash management during this period.

Accordingly and regrettably staff cuts have been made both in Australia and Tanzania together with elimination of all non essential spending and a tightening and or deferment of all expenditure.

As a result, the Kibaran team have agreed to defer a significant amount of fees and salaries and to forgo any salary increases or bonuses which otherwise might have been expected in recognition of the very material accomplishments achieved during the year and the hard work underlying them until this period of legislative uncertainty passes.

Of course we need to ensure that we appropriately acknowledge the additional effort and commitment required across our Company at this time and also to provide for the retention of our key personnel, who's skills in graphite markets, project development and financing are critical to successfully realising the value of

our project. To achieve this, we are seeking your support and approval to grant deferred equity compensation to each of the directors, at the prevailing market price at the time of issue, under our existing director and employee share schemes, summaries of which are enclosed for your consideration.

We believe this prudent approach not only preserves our important cash reserves, it also promotes a strong alignment with the interests of our shareholders for the generation of long term value.

In addition, during the meeting you will be requested to approve the re-election of my fellow director, Mr Grant Pierce, who has provided invaluable guidance to our business through his unique Tanzanian experience and deep commitment to our social programs in that country.

We are also proposing to adopt a new Constitution, which although largely similar in substance to our existing document, now reflects a range of legislative changes that have been implemented in Australia in recent years. A copy of the proposed Constitution is available on our website for your review.

Thank you once again for your on-going support and we look forward to seeing you at the meeting on 9 November.

Yours sincerely
Kibaran Resources Limited

A handwritten signature in black ink, appearing to be 'R. Pett', written over a horizontal line.

Robert Pett
Non-Executive Chairman

Kibaran Resources Limited

ABN 15 117 330 757

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Kibaran Resources Limited ("**Kibaran**" or "**Company**") will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 9 November 2017 at 11:00 am (WST) ("**Meeting**").

The Company has also made arrangements for the auditor of the Company, Ernst & Young, to attend the meeting.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form 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 on 7 November 2017 at 4:00 pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 10 of the Explanatory Memorandum.

Agenda

1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the financial report, Directors' report in relation to that year, the declaration of the Directors, the Remuneration Report and the auditor's report in the financial report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2017."

Short Explanation: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 – Re-Election of Grant Pierce

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

“That Grant Pierce, being a Director of the Company who retires in accordance with clause 6.1 of the Constitution and Listing Rule 14.5 and for all other purposes, and being eligible, be re-elected as a Director of the Company.”

4. Resolution 3 – Ratification of the issue of 300,000 Shares and 2,050,000 Options

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 300,000 Shares and 2,050,000 Options on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

5. Resolution 4 – Issue of Shares to Robert Pett

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the Company to issue 2,000,000 Shares to Robert Pett (or his nominee) under a share plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Share Plan in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. Resolution 5 – Issue of Shares to John Conidi

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the Company to issue 1,000,000 Shares to John Conidi (or his nominee) under a share plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Share Plan in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. Resolution 6 – Issue of Shares to Christoph Frey

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the Company to issue 2,000,000 Shares to Christoph Frey (or his nominee) under a share plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Share Plan in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard

a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. Resolution 7 – Issue of Shares to Andrew Spinks

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the Company to issue 2,000,000 Shares to Andrew Spinks (or his nominee) under an employee share plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Employee Share Plan in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. Resolution 8 – Issue of Shares to Grant Pierce

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the Company to issue 2,000,000 Shares to Grant Pierce (or his nominee) under an employee share plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the Employee Share Plan in respect of which the approval is sought, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

The above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 9 – Approval of 10% Placement Facility under Listing Rule 7.1A

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

"That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital in the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue of Equity Securities under this Resolution 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 those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

11. Resolution 10 – Replacement of Constitution

To consider and, if thought fit, to pass the following resolution as a **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 Chair of the Meeting for identification purposes."

Dated 6 October 2017

By order of the Board



**Nicholas Katris
Company Secretary**

Explanatory Memorandum

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 Annual General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 9 November 2017 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:	Financial Report and Reports of the Directors and Auditors
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Grant Pierce
Section 6:	Resolution 3 – Ratification of the issue of 300,000 Shares and 2,050,000 Options
Section 7:	Resolutions 4 to 8 – Issue of Shares to Directors
Section 8:	Resolution 9 – Approval of 10% placement facility under Listing Rule 7.1A
Section 9:	Resolution 10 – Replacement of Constitution
Section 10:	Definitions

2. Action to be taken by Shareholders

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

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether members of the Company or not) as proxy or proxies to attend in the Shareholder's place at the Meeting.

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 provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

The Company must receive your duly completed Proxy Form by no later than 11:00am (WST) on 7 November 2017.

3. Financial report and reports of the Directors and auditors

The Company's financial report for the year ended 30 June 2017 is set out in the Company's Annual Report. In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the financial report and on the business and management of the Company.

The Company does not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so, however the Annual Report is available on the Company's website at www.kibaranresources.com.

During the discussion of this item, the Company's auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary or email to info@kibaranresources.com. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. A list of qualifying questions will be made available at the Annual General Meeting.

Please note that all questions must be received at least five Business Days before the Annual General Meeting, that is by no later than 11:00am (WST) on 2 November 2017.

4. Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and key management personnel of the Company. The Remuneration Report is part of the Directors' report contained in the Annual Report of the Company for the year ended 30 June 2017 which is available on the Company's website at www.kibaranresources.com.

An opportunity will be provided for questions and discussion about the Remuneration Report at the Annual General Meeting.

Under changes to the Corporations Act which came into effect on 1 July 2011, the Company is required to put to Shareholders a resolution proposing the calling of another meeting of Shareholders to consider the appointment of Directors (**Spill Resolution**) if, at consecutive Annual General Meetings, at least 25% of the votes cast on a Remuneration Report resolution are voted against adoption of the Remuneration Report and at the first of those Annual General Meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to a vote at the second of those Annual General Meetings.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's Annual Report for the most recent financial year) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may 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.

At the Company's 2016 Annual General Meeting the votes cast against the Remuneration Report considered at that Annual General Meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

- ¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- ² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
- ³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- ⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

5. Resolution 2 – Re-election of Grant Pierce

Clause 6.1 of the Constitution and Listing Rule 14.5 sets out the requirements for determining which Directors are to retire at an Annual General Meeting.

Mr Pierce retires at this Annual General Meeting and seeks re-election.

Mr Pierce has been a Director of Kibaran for over 3 years, having been appointed to the Board as an Executive Director on 21 August 2014.

Brief Curriculum Vitae of Director Grant Pierce

Grant Pierce is a mining engineer with over 25 years of experience in both open-pit and underground mining operations and in a range of commodities including gold, copper, copper/cobalt, nickel, iron ore and rare earth elements. He has extensive management experience, having held numerous senior operational management roles with both mining and exploration companies operating in Africa.

Grant was a member of the development team that built Tanzania's first modern gold mine, Resolute's Golden Pride Mine and was Operations Manager of the mine for its first 6 years of production. Other senior roles include Executive General Manager (Tanzania) for Barrick Gold Corporation during which time the Tulawaka Gold Mine came online and General Manager (Operations) for Perseus Mining Limited, from the environmental permitting phase through construction, to the Edikan Mine's first gold pour.

Grant was awarded the Order of Australia Medal in 2003 for his personal contribution to social development in rural Tanzania. In 2006 he was also awarded Tanzania's Zeze Award, the highest accolade for outstanding contribution to Tanzania's cultural development and is also a founding Director of the not of profit organisation Bridge2Aid Australia.

Independence

Due to his executive role, the Board does not consider Mr Pierce is an independent Director.

Directors' recommendation in relation to Resolution 2

The Directors (other than Mr Pierce) recommend that you vote in favour of Resolution 2.

6. Resolution 3 – Ratification of the issue of securities

On 7 March 2017, the Company issued:

- (a) 300,000 Shares to Avenue Consulting Pty Ltd in lieu of fees for corporate advisory services;
- (b) 1,050,000 Options to various employees and contractors in consideration of labour services provided to the Company; and
- (c) 1,000,000 Options to Fivemark Capital Pty Ltd in consideration of consulting services provided to the Company,

(together the **Ratification Securities**), without Shareholder approval under Listing Rule 7.1,

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Ratification Securities.

Purpose of Resolution 3 and Listing Rule 7.1

Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue equity securities equating to more than 15% of its issued capital in a 12 month period without Shareholder approval (15% Limit), unless an exception applies.

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

Shareholder ratification for the issue of the Ratification Securities is now sought pursuant to Listing Rule 7.4, to reinstate the Company's capacity to issue up to 15%

of its issued capital, if required, in the next 12 months without Shareholder approval under Listing Rule 7.1.

Notice requirements under Listing Rule 7.5

It is a requirement of Listing Rule 7.5, that a listed entity seeking subsequent Shareholder approval under Listing Rule 7.4 provide with the following information to Shareholders:

In relation to Resolution 3:

- (a) the total number of securities issued was:
 - (i) 300,000 Shares;
 - (ii) 1,050,000 Options exercisable at \$0.23 on or before 6 March 2020; and
 - (iii) 1,000,000 Options exercisable at \$0.30 each on or before 31 December 2018;
- (b) the Ratification Securities were issued for nil cash consideration, in lieu of cash payments for the services detailed above;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options were issued on the terms and conditions set out in (a)(ii) and (a)(iii) above, and otherwise on the terms set out in Schedule 1;
- (e) the Ratification Securities were issued to the parties listed above, none of whom are related parties of the Company; and
- (f) no funds were raised from the issue of the Ratification Securities as they were issued in consideration of services provided to the Company.

Directors' recommendation in relation to Resolution 3

The Directors recommend that Shareholders vote in favour of Resolution 3.

7. Resolutions 4 to 8 – issue of shares to directors

The proposed recipients of Shares under Resolutions 4 to 8 are as follows:

- (a) 2,000,000 Shares to Mr Robert Pett (or his nominee), the Company's non-executive Chair (Resolution 4), under the Pett Share Plan;
- (b) 1,000,000 Shares to Mr John Conidi (or his nominee), a non-executive Director of the Company (Resolution 5), under the Conidi Share Plan;
- (c) 2,000,000 Shares to Mr Christoph Frey (or his nominee), a non-executive Director of the Company (Resolution 6), under the Frey Share Plan;
- (d) 2,000,000 Shares to Mr Andrew Spinks (or his nominee), the Company's Managing Director (Resolution 7), under the Employee Share Plan; and

- (e) 2,000,000 Shares to Mr Grant Pierce (or his nominee), an executive Director of the Company (Resolution 8), under the Employee Share Plan, (together, the **Director Plan Shares**).

The Board has decided to seek Shareholder approval for the issue of the Director Plan Shares to each of the Directors in recognition for their performance with the Company and as Director incentive remuneration under the Pett Share Plan, the Conidi Share Plan, the Frey Share Plan and the Employee Share Plan (which was approved by Shareholder's at a general meeting of the Company on 9 September 2014) (together the **Share Plans**).

The terms and conditions of the Share Plans are identical, other than in respect of who is eligible under each plan. A summary of the terms and conditions of the Share Plans is set out in Schedule 2.

7.1 Application of listing rules

ASX Listing Rule 10.14 effectively provides that an entity must not permit a Director of the Company (or their associate) to acquire securities under an employee incentive scheme without approval of the holders of ordinary securities.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Plan Shares pursuant to Resolutions 4 to 8, as approval is being obtained under Listing Rule 10.14.

7.2 ASX listing rule 10.15 requirements

In accordance with the disclosure requirements of ASX Listing Rule 10.15:

- (a) the Company proposes to issue the Director Plan Shares to the Directors (or their nominees) as listed above;
- (b) the maximum number of securities to be issued is as follows:
 - (i) 2,000,000 Shares to Mr Robert Pett (or his nominee) pursuant to Resolution 4;
 - (ii) 1,000,000 Shares to Mr John Conidi (or his nominee) pursuant to Resolution 5;
 - (iii) 2,000,000 Shares to Mr Christoph Frey (or his nominee) pursuant to Resolution 6;
 - (iv) 2,000,000 Shares to Mr Andrew Spinks (or his nominee) pursuant to Resolution 7; and
 - (v) 2,000,000 Shares to Mr Grant Pierce (or his nominee) pursuant to Resolution 8;
- (c) the Director Plan Shares will be issued at an issue price per Share equal to the VWAP of Shares over the last five (5) trading days on which sales were recorded up to and including the date of acceptance of the Director Plan Shares offered;
- (d) no funds will be received by the Company immediately upon the issue of the Director Plan Shares as each of the Directors will receive a loan from the Company for the amount of the issue price of the Director Plan

Shares. Such loans will be repayable in accordance with the terms of the relevant Share Plan (refer to Schedule 2);

- (e) the following persons are eligible to participate in each of the Share Plans:
 - (i) Mr Robert Pett is the only person entitled to participate in the Pett Share Plan;
 - (ii) Mr John Conidi is the only person entitled to participate in the Conidi Share Plan;
 - (iii) Mr Christoph Frey is the only person entitled to participate in the Frey Share Plan; and
 - (iv) all executive Directors (currently Andrew Spinks and Grant Pierce) and their respective nominees are entitled to participate in the Employee Share Plan,
- (f) previously the following Shares have been issued under the Share Plans:
 - (i) 1,250,000 Shares have been issued to Rober Pett under the Pett Share Plan at an issue price of \$0.2282 per Share;
 - (ii) 2,250,000 Shares have been issued to John Conidi under the Conidi Share Plan (1,000,000 at an issue price of \$0.2282 per Share, and 1,250,000 at an issue price of \$0.1736 per Share);
 - (iii) no Shares have been issued to Christoph Frey under the Frey Share Plan;
 - (iv) 4,250,000 Shares have been issued to Andrew Spinks under the Employee Share Plan (1,000,000 at an issue price of \$0.2282 per Share, 1,250,000 at an issue price of \$0.1736 per Share and 2,000,000 at an issue price of \$0.2384); and
 - (v) 2,250,000 Shares have been issued to Grant Pierce under the Employee Share Plan (1,000,000 at an issue price of \$0.2282 per Share and 1,250,000 at an issue price of \$0.1736 per Share);
- (g) the Company proposes to issue the Director Plan Shares pursuant to Resolutions 4 to 8 as soon as reasonably practicable but in any case by no later than 12 months after the date of passage of Resolutions 4 to 8; and
- (h) the material terms of the Share Plans are set out in Schedule 2.

7.3 Financial assistance – Part 2J.3 of the Corporations Act

The provision of a loan to a participant under an employee share scheme to fund the acquisition of shares issued under that scheme will constitute "financial assistance" for the purposes of Part 2J.3 of the Corporations Act.

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the company only if:

- (a) giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- (b) the assistance is approved by the shareholders under section 260B; or
- (c) the assistance is exempt under section 260C.

Section 260C(4) provides that financial assistance is exempt from section 260A if it is given under an "employee share scheme" that has been approved by a resolution passed at a general meeting of the company.

The Employee Share Plan falls within the definition of an "employee share scheme" for the purposes of the Corporations Act. Shareholder approval for the Employee Share Plan was previously obtained on 9 September 2014. Accordingly, financial assistance given under the Employee Share Plan is exempt from the Corporations Act limitations on the giving of financial assistance.

In respect of financial assistance given under the other Share Plans, the Corporations Act exemption under section 260C(4) does not apply as those Share Plans do not fit within the definition of "employee share schemes" under the Corporations Act (as the persons eligible under those Share Plans are not executive Directors or employees). As a result, the giving of financial assistance must not materially prejudice the interests of the Company or its Shareholders or the Company's ability to pay its creditors otherwise Shareholder approval is required.

The Board (excluding Robert Pett with regards to Resolution 4, John Conidi with regards to Resolution 5 and Christoph Frey with regards to Resolution 6) has resolved to provide financial assistance to each Director pursuant to the relevant Share Plan and the issue of Shares contemplated by Resolutions 4 to 6, such financial assistance to take the form of a limited recourse loan to enable each relevant Director to acquire their Director Plan Shares under the relevant Share Plan. The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its Shareholders, or the Company's ability to pay its creditors for the following reasons:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those Shareholders not receiving the financial assistance, because it increases the alignment of the interests of Directors and Shareholders and rewards Directors for the creation of Shareholder wealth, and, therefore creates incentives for each Director to strive to ensure that the Company performs for the benefit of all its Shareholders;
- (b) the terms and conditions do not materially prejudice the interests of the Company and its Shareholders because the costs of providing the financial assistance are considered to be relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Share Plans;
- (c) the restriction conditions of the Director Plan Shares are intended to encourage each Director to remain a Director of the Company and to achieve beneficial outcomes for Shareholders; and
- (d) in the opinion of the Directors, the provision of financial assistance of this kind is consistent with market practice for similar schemes in Australia.

7.4 Security over Director Plan Shares – section 259B(2) of the Corporations Act

To the extent the Company loans funds to a participant of the Employee Share Plan to pay the issue price of the Shares, the Shares will comprise security for repayment of the loan.

Under the terms of the Employee Share Plan, the Company will have a lien over any such Shares in respect of which a loan amount is outstanding and will be entitled to sell those Shares in accordance with the terms of the Employee Share Plan, in order to recover any amounts owed under a loan.

Section 259B(1) of the Corporations Act prohibits a company from taking security over its own shares, except as permitted by section 259B(2) or (3). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by a resolution passed at a general meeting of a company. The Company notes Shareholder approval was obtained for its Employee Share Plan on 9 September 2014.

In respect of Shares issued under the other Share Plans, the Corporations Act exceptions above do not apply as those Share Plans do not fit within the definition of “employee share schemes” under the Corporations Act (as the persons eligible under those Share Plans are not executive Directors or employees). As a result, the Company will not hold security over Shares issued under those other Share Plans. Instead, the participants under those Share Plans will be contractually obliged to sell their Shares and remit the proceeds to the Company in the event that the relevant loan granted under the Share Plan is not repaid.

7.5 Chapter 2E Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of Director Plan Shares constitutes giving a financial benefit and each Director is a related party of the Company by virtue of being a Director. Shareholder approval is not required under Chapter 2E of the Corporations Act for the financial benefit covered by Resolutions 4 to 8 as the Board (other than Robert Pett with regards to Resolution 4, John Conidi with regards to Resolution 5, Christoph Frey with regards to Resolution 6, Andrew Spinks with regards to Resolution 7 and Grant Pierce with regards to Resolution 8 who have a material personal interest in those Resolutions) resolved that the financial benefit to be provided to the Director (or his nominee) under the relevant Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act.

7.6 Directors' recommendation in relation to Resolutions 4 to 8

The Directors, other than Robert Pett with regards to Resolution 4, John Conidi with regards to Resolution 5, Christoph Frey with regards to Resolution 6, Andrew Spinks with regards to Resolution 7 and Grant Pierce with regards to Resolution 8, recommend that shareholders vote in favour of Resolutions 4 to 8.

8. Resolution 9 – Approval of 10% Placement Facility under Listing Rule 7.1A

8.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (10% Placement Capacity) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

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.

As at the date of this Notice, 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 \$45,177,443 (based on the number of Shares on issue and the closing price of Shares on the ASX on 2 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: KNL) and one class of unlisted Options with various exercise prices and expiry dates.

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 9 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 9 for it to be passed.

8.2 Technical information required by ASX 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 9:

- (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:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 8.2(a)(i), the date on which the Equity Securities are issued.

(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 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 9 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 assumptions set out below the table.

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 (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0925 50% decrease in Issue Price	\$0.1850 Issue Price	\$0.2775 50% increase in Issue Price
253,202,394 (Current Variable A)	Shares issued - 10% voting dilution	25,320,239 Shares	25,320,239 Shares	25,320,239 Shares
	Funds raised	\$2,342,122	\$4,684,244	\$7,026,366
379,803,591 (50% increase in Variable A)	Shares issued - 10% voting dilution	37,980,359 Shares	37,980,359 Shares	37,980,359 Shares
	Funds raised	\$3,513,183	\$7,026,366	\$10,539,550
506,404,788 (100% increase in Variable A)	Shares issued - 10% voting dilution	50,640,479 Shares	50,640,479 Shares	50,640,479 Shares
	Funds raised	\$4,684,244	\$9,368,489	\$14,052,733

*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:

- There are currently 253,202,394 Shares on issue comprising:
 - 244,202,394 existing Shares as at the date of this Notice of Meeting; and
 - 9,000,000 Shares which will be issued if Resolutions 4 to 8 are passed at this Annual General Meeting;
- The issue price set out above is the closing price of the Shares on the ASX on 2 October 2017.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- 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.
- 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.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- 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%.

9. 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 Annual General 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 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 apply funds raised towards the continued exploration, evaluation and development of the Company's mineral assets and related corporate purposes; or
- (ii) as non-cash consideration for the acquisition of assets such as mineral exploration tenements, or a business or company holding mineral exploration tenements. 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 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 advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its Annual General Meeting held on 24 November 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Annual General Meeting, being on and from 9 November 2016, the Company otherwise issued a total of 1,800,000 Shares and 2,050,000 Options which represents approximately 1.51% of the total diluted number of Equity Securities on issue in the Company on 9 November 2016, which was 254,502,394.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Annual General Meeting are set out in Schedule 3.

(g) **Compliance with 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.

(h) **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 9.

8.3 Directors' recommendation in relation to Resolution 9

The Directors recommend that Shareholders vote in favour of Resolution 9.

9. Resolution 10 – Replacement of Constitution

9.1 General

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

Resolution 10 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 Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2010.

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:

- updating the name of the Company to that adopted in February 2011;
- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- 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 Statement, 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 <http://www.kibaranresources.com/> 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 6424 9000). Shareholders are invited to contact the Company if they have any queries or concerns.

9.2 Summary of material proposed changes

Dividends (clause 22)

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 profits 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.

Casting votes (clauses 13.12 and 16.6)

Under the Constitution the Chair does not have a casting vote at Director meetings in addition to any vote as a Director (clause 65.2) and there is no clause allowing for the Chair to have a casting vote at Shareholder meetings.

Under the Proposed Constitution, at Director meetings clause 16.6 allows for the Chair of the meeting to have a second or casting vote and at Shareholder meetings clause 13.12 states that in the case of an equality of votes, the Chair of the meeting shall have a second or casting vote.

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 enables the Company to charge a reasonable fee when it is required to register off-market transfers by 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.

Partial (proportional) takeover provisions (clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's 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 adoption 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 a 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 all 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;
 - (i) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
 - (ii) 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
 - (i) the likelihood of a proportional takeover bid succeeding may be reduced.

9.3 Directors' recommendation in relation to Resolution 10

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 10.

10. DEFINITIONS

In this Explanatory Memorandum and Notice:

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 8.1 of the Explanatory Statement.

Annual Report means the Directors' report, the Company's financial report, and auditor's report thereon, in respect to the financial year ended 30 June 2017.

ASX means ASX Limited ACN 009 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Chair means the chair of the Meeting.

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) for the purposes of the definition of 'closely related party' in the Corporations Act.

Conidi Share Plan means the share plan summarised in Schedule 2 where Mr John Conidi is the only eligible participant.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Employee Share Plan means the share plan summarised in Schedule 2 where executive Directors and employees are eligible participants.

Equity Securities has the meaning given to that term in Listing Rule 19.12.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Frey Share Plan means the share plan summarised in Schedule 2 where Mr Chritoph Frey is the only eligible participant.

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.

Kibaran and Company means Kibaran Resources Limited ACN 117 330 757.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Options or Options means an option to purchase a Share.

Pett Share Plan means the share plan summarised in Schedule 2 where Mr Robert Pett is the only eligible participant.

Proposed Constitution means the constitution proposed to be adopted by the Company pursuant to Resolution 10.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' report section of the Company's annual financial report for the year ended 30 June 2017.

Resolution means a resolution contained in this Notice.

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

Shareholder means a shareholder of the Company.

Share Plans or Plans means the Pett Share Plan, Conidi Share Plan, Frey Share Plan and Employee Share Plan or any one or more of them as the context requires.

Trading Day has the meaning given to that term in Listing Rule 19.12.

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

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are as follows:

(a) **Entitlement**

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

(b) **Exercise price**

Subject to paragraph (f), the amount payable upon exercise of each Option is \$0.23 for the 1,050,000 Options and \$0.30 for the 1,000,000 Options (**Exercise Price**).

(c) **Expiry date**

An Option not exercised before 5.00pm (WST) on 6 March 2020 for the 1,050,000 Options and 31 March 2018 for the 1,000,000 Options (**Expiry Date**) will automatically lapse at that time.

(d) **Exercise period**

The Options are exercisable at any time prior to 5.00pm (WST) on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

Subject to paragraph (f), the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Restrictions on exercise**

The holder of an Option may not exercise less than 5,000 Options at any one time unless the holder has less than 5,000 Options in which event the holder must exercise all of the Options together.

The Options will vest on the date which is specified by the Company in the letter of offer.

(g) **Exercise date**

A Notice of Exercise is only effective on and from the later of:

- (i) the date of receipt by the Company of the Notice of Exercise; and
- (ii) the date of receipt by the Company of payment of the Exercise Price for each Option the subject of the Notice of Exercise, in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

No later than 15 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number

of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options will, upon issue, be fully paid and rank equally with all other then issued Shares and will otherwise be subject to the provisions of the Constitution and any restriction or escrow arrangements imposed on them by ASX or under applicable Australian securities laws.

(j) **Reorganisation of capital**

If at any time the issued capital of the Company is reorganised, the number and/or the exercise price of each Option are to be changed in accordance with the Corporations Act and the Listing Rules at the time of the reorganisation, with the intention that such reorganisation will not result in benefits being conferred on the holder of the Option which are not conferred on Shareholders. In all other respects, the terms of exercise of the Options will remain unchanged.

(k) **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 without first exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised, except to the extent required under the Listing Rules in connection with the reorganisation of the capital of the Company as set out in paragraph (j).

(m) **Application for quotation of shares issued on exercise**

If the Company is admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of any Shares issued upon the exercise of the Options.

(n) **Application for quotation of options**

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

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by the Company or ASX or otherwise applicable under Australian securities laws.

SCHEDULE 2 – SUMMARY OF THE SHARE PLANS

Other than the persons eligible under each Share Plan, the terms and conditions are identical.

The key terms of the Share Plans are as follows:

(a) **Eligibility**

Pett Plan: The only eligible participant is Mr Robert Pett, for so long as he remains a non-executive Director of the Company (**Participant** or **Eligible Participant**).

Conidi Plan: The only eligible participant is Mr John Conidi, for so long as he remains a non-executive Director of the Company (**Participant** or **Eligible Participant**).

Frey Plan: The only eligible participant is Mr Christoph Frey, for so long as he remains a non-executive Director of the Company (**Participant** or **Eligible Participant**).

Employee Share Plan: All executive Directors and employees of the Company or an Associated Body Corporate (**Participant** or **Eligible Participant**).

(b) **Administration of plan**

The Board is responsible for the operation of the Plans.

(c) **Offer**

The Board may issue an offer to the Participants to participate in the Plans (**Offer**).

The Offer:

- (i) will invite application for the number of Shares specified in the Offer;
- (ii) will specify the issue price for the Shares or the manner in which the issue price is to be calculated;
- (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the Offer;
- (iv) will specify any restriction conditions applying to the Shares;
- (v) will specify an acceptance period; and
- (vi) specify any other terms and conditions attaching to the Shares.

(d) **Issue price**

The issue price of each Share will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a loan is offered in relation to Shares, the issue price must be not less than the VWAP at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the Shares offered under the Offer.

(e) **Restriction conditions**

Shares may be subject to restriction conditions (such as a period of office or employment) which must be satisfied before the Shares can be sold, transferred, or encumbered at the discretion of the Participant. Shares cannot be sold, transferred or encumbered at the discretion of the Participant until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.

(f) **Loan**

A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:

- (i) the Loan will be interest free, provided that interest at the rate equal to the benchmark interest rate for the relevant Fringe Benefits Tax year per annum will be payable in the event that a Participant is in default under the terms of the Plan (**Default Interest**);
- (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
- (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the Offer;
- (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
- (v) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
- (vi) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.

(g) **Unfulfilled restriction condition**

Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Participant must, unless the restriction condition is waived by the Board and subject to the Corporations Act and the Listing Rules, arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the VWAP at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:

- (i) first, to pay the Company any outstanding Loan amount and accrued Default Interest (if any) in relation to the Shares;
- (ii) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan amount repayments (including any cash dividends applied to the Loan amount) made by or on behalf of the Participant; and
- (iii) lastly, any remainder to the Company to cover its costs of managing the Plan.

(h) **Sale of shares to repay loan**

(i) A Loan (plus any accrued Default Interest) shall become repayable in full where:

(a) the Participant (or, where the Participant is an associate of an Eligible Participant, the Eligible Participant) ceases to be an Eligible Participant for any reason (including death);

(b) the Participant suffers an event of insolvency;

(c) the Participant breaches any condition of the Loan or the Plan; or

(d) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).

(ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Participant must sell the Shares and the Sale Proceeds must be applied to repay the Loan and any accrued Default Interest in accordance with the Plan.

(iii) Where a Loan and any accrued Default Interest in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 21 day period to repay the Loan and any accrued Default Interest, failing which the Participant must sell the Shares and apply the Sale Proceeds in accordance with the Plan.

(i) **Power of attorney**

To the maximum extent permitted by applicable laws, the Participant irrevocably appoints each of the Company and each Director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

(j) **Restriction on transfer**

Except as otherwise provided in the Plan, Participants may not sell or otherwise deal with a Share until the Loan amount in respect of that Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

(k) **Quotation on ASX**

The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the Listing Rules.

(l) **Rights attaching to Shares**

Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 9 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)¹	Form of consideration
Issue – 7 March 2017	500,000	Ordinary Shares ²	Participants in the Company's Employee Share Plan	Nil.	Non-cash consideration in respect of services provided to the Company. Current value ⁴ = \$66,914
Issue – 7 March 2017	300,000	Ordinary Shares ²	Consultants	Nil.	Non-cash consideration in respect of services provided to the Company. Current value ⁴ = \$55,500
Issue – 7 March 2017	1,050,000	Unquoted Options (exercisable at \$0.23 each on or before 6 March 2020) ³	Consultants and employees	Nil.	Non-cash consideration in respect of services provided to the Company. Current value ⁴ = \$113,109
Issue – 7 March 2017	1,000,000	Unquoted Options (exercisable at \$0.30 each on or before 31 December 2018) ³	Consultants	Nil.	Non-cash consideration in respect to services provided to the Company. Current value ⁴ = \$71,554
20 July 2017	1,000,000	Ordinary Shares ²	Participants in the Company's Employee Share Plan	Nil.	Non-cash consideration in respect to services provided to the Company. Current value ⁴ = \$133,564

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: KNL (terms are set out in the Constitution).
3. Unquoted Options, the full terms and conditions of which are contained in Schedule 1 to this Notice.
4. In respect of quoted Equity Securities the value is based on the closing price of Shares on 2 October 2017 (\$0.185). In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Kibaran Resources Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (WST) on Tuesday, 7 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged by mail or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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 the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

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 and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- return both forms together.

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, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney 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.

CORPORATE REPRESENTATIVES

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
 THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Kibaran Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (WST) on Thursday, 9 November 2017 at The Celtic Club, 48 Ord Street, West Perth, Western Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4-8: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of **Resolutions 1, 4-8**, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Facility under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of the issue of 300,000 Shares and 2,050,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Issue of Shares to Robert Pett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Issue of Shares to John Conidi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Shares to Christoph Frey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Issue of Shares to Andrew Spinks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Shares to Grant Pierce	<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.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

KNL PRX1701D