
IMPACT MINERALS LIMITED

ACN 119 062 261

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.00 pm (WST)

DATE: 8 November 2018

PLACE: The Celtic Club
48 Ord Street
West Perth, Western Australia 6005

Your Annual Report is available online at:
www.impactminerals.com.au

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 professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 6454 6666.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Impact Minerals Limited to which this Notice of Meeting relates will be held at 2.00 pm (WST) on Thursday, 8 November 2018 at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile; or
- lodging your proxy and voting online at www.investorvote.com.au by following the instructions set out on the attached Proxy Form.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Shareholders can download and fill out the “Appointment of Corporate Representative” form from the website of the Company’s share registry at:
<https://www-au.computershare.com/Investor/help/PrintableForms>.

VOTING BY PROXY

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy votes, they must cast all directed proxies as directed.
- If a proxy does not vote on a resolution which has been directed by the Shareholder, the proxy for that resolution will automatically default to the Chair, who will vote the proxy as directed.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report).
- Should any resolution, other than those specified in this Notice of Meeting, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- If a proxy has 2 or more appointments that specify different ways to vote on a resolution then the proxy must not vote on a show of hands.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
- If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the Company Secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice of Meeting, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

LODGEMENT OF PROXY FORMS

A Proxy Form accompanies this Notice and to be effective must be received at the Company's share registry:

- By mail:** Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001, Australia;
- Delivery:** Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace, Perth WA 6000;
- By fax:** 1800 783 447 (within Australia)
or +61 3 9473 2555 (outside Australia)
- Online:** www.investorvote.com.au.
- By mobile:** Scan the QR Code on your Proxy Form and follow the prompts
- Custodian voting:** For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

so that it is received not later than 2.00 pm (WST) on Tuesday, 6 November 2018.

Proxy Forms received after this time will be invalid.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00 pm WST on 6 November 2018.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Impact Minerals Limited will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 at 2.00 pm (WST) on Thursday, 8 November 2018.

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

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2018 be adopted."

The Remuneration Report is contained in the Directors' Report in the Company's Annual Report for the year ended 30 June 2018.

Note: Whilst the Corporations Act requires the Remuneration Report to be put to the vote, the vote on this Resolution is advisory only and does not bind the Directors of the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

Voting Prohibition Statement: The Company will disregard any votes cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

However, a person 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 of the meeting 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 if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR EAMON HANNON

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

“That, Eamon Hannon, who ceases to hold office in accordance with Article 6.3(j) of the Company’s Constitution and, being eligible, offers himself for election, be re-elected a Director of the Company.”

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR PAUL INGRAM

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

“That, Paul Ingram, being a Director of the Company who retires in accordance with Article 6.3(c) of the Company’s Constitution and, being eligible, offers himself for election, be re-elected a Director of the Company.”

5. RESOLUTION 4 - APPROVAL OF DIRECTOR AND EMPLOYEE OPTION ACQUISITION PLAN

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

“That, for the purposes of ASX Listing Rule 7.2 Exception 9 and for all other purposes, the Option Plan be approved and the issue of securities from time to time under the Option Plan be approved as an exception to the ASX Listing Rule 7.1.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

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

6. RESOLUTION 5 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR - DR MIKE JONES

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Dr Mike Jones or his nominee, up to 30,000,000 Options under the Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Mike Jones (and his nominee) and any associates of Dr Jones. 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: In accordance with section 250BD of the Corporations Act, 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 a Director of the Company; 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.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair of the Meeting; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

7. RESOLUTION 6 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR - MR PETER UNSWORTH

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Peter Unsworth or his nominee, up to 12,000,000 Options under the Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter Unsworth (and his nominee) and any associates of Mr Unsworth. 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: In accordance with section 250BD of the Corporations Act, 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 a Director of the Company; 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.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair of the Meeting; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

8. RESOLUTION 7 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR - MR PAUL INGRAM

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Paul Ingram or his nominee, up to 6,000,000 Options under the Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Paul Ingram (and his nominee) and any associates of Mr Ingram. 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: In accordance with section 250BD of the Corporations Act, 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 a Director of the Company; 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.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair of the Meeting; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

9. RESOLUTION 8 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR - DR MARKUS ELSASSER

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

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Dr Markus Elsasser or his nominee, up to 6,000,000 Options under the Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Markus Elsasser (and his nominee) and any associates of Dr Elsasser. 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: In accordance with section 250BD of the Corporations Act, 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 a Director of the Company; 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.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair of the Meeting; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

10. RESOLUTION 9 - APPROVAL OF ISSUE OF OPTIONS TO A NOMINEE OF A DIRECTOR - MR EAMON HANNON

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

"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Squadron Resources Pty Ltd, as Mr Eamon Hannon's nominee, up to 6,000,000 Options under the Option Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Eamon Hannon or Squadron Resources Pty Ltd and any associates of Mr Hannon and Squadron Resources Pty Ltd. 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: In accordance with section 250BD of the Corporations Act, 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 a Director of the Company; 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.

However, the above prohibition does not apply if:

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

Where the Chair is the related party the subject of the Resolution or is an associate of the related party, the Chair cannot cast undirected proxies in respect of the Resolution.

11. RESOLUTION 10 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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 of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such person) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares).

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

DATED: 19 SEPTEMBER 2018
BY ORDER OF THE BOARD



BERNARD CRAWFORD
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Impact Minerals Limited (“**Impact**” or the “**Company**”).

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Company to lay its Financial Report, Directors’ Report and Auditor’s Report for the last financial year before the Annual General Meeting (“**AGM**”).

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company’s Auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor’s Report, the accounting policies adopted by the Company and the independence of the Auditor.

In addition to taking questions at the Meeting, written questions to the Company’s auditor about:

- (a) the content of the auditor’s report to be considered at the Meeting; and
- (b) the conduct of the audit of the annual financial report to be considered at the Meeting,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company’s registered office.

The Company’s 2018 Annual Report is available on the Company’s website at www.impactminerals.com.au.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

2.1 Introduction

In accordance with section 250R(2) of the Corporations Act the Company is required to put a resolution at its Annual General Meeting to its Shareholders that the Remuneration Report be adopted.

The Directors’ Report for the year ended 30 June 2018 contains a Remuneration Report which explains the Board’s policies in relation to the nature and level of remuneration paid to Key Management Personnel (including Directors), and sets out remuneration details, service agreements and the details of any share based compensation.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a

resolution that a further meeting is held at which all of the Company's Directors who were directors of the Company when the resolution to make the directors' report considered at the second of those annual general meetings was passed (other than the Managing Director) must go up for re-election.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. A reasonable opportunity will be provided for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

2.2 Voting on the Remuneration Report

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report (other than the Chair) or any Closely Related Party of that member as your proxy to vote on the Remuneration Report, you must direct the proxy how they are to vote. Where you do not direct a member of Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on the Remuneration Report, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution.

The above note on voting does not apply if the voter is the Chair of the meeting and the undirected proxy expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR EAMON HANNON

The Company's Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next Annual General Meeting and is then eligible for re-election. Mr Eamon Hannon, appointed to the Board on 30 November 2017, retires in accordance with Article 6.3(j) of the Constitution and being eligible, seeks re-election.

Details of Mr Eamon Hannon's qualifications and experience are set out in the Company's 2018 Annual Report.

4. RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR PAUL INGRAM

Article 6.3(c) of the Company's Constitution requires that at the Annual General Meeting in every year one-third of the Directors (rounded down to the nearest whole number excepting the Managing Director), must retire from office.

A Director who retires by rotation under Article 6.3(c) of the Constitution is eligible for re-election. Mr Paul Ingram, last elected to the Board on 29 September 2015, retires in accordance with Article 6.3(c) of the Constitution and being eligible, seeks re-election.

Details of Mr Paul Ingram's qualifications and experience are set out in the Company's 2018 Annual Report.

5. RESOLUTION 4 - APPROVAL OF DIRECTOR AND EMPLOYEE OPTION ACQUISITION PLAN

5.1 General

The Company has an existing Director and Employee Option Acquisition Plan (**Option Plan**) which was adopted by the Board and approved by Shareholders on 29 September 2015.

Resolution 4 seeks Shareholder approval of the Option Plan and the issues of securities under the Option Plan for the purposes of ASX Listing Rule 7.2, exception 9.

ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However ASX Listing Rule 7.2, exception 9 provides that ASX Listing Rule 7.1 does not apply in relation to, amongst other things, an issue under an employee incentive scheme if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the Plan as an exception to Listing Rule 7.1.

The ASX Listing Rules define "employee incentive scheme" as:

- (a) a scheme for the issue or acquisition of equity securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity or their associates; or
- (b) a scheme which, in ASX's opinion, is an employee incentive scheme.

Under the ASX Listing Rules, equity securities include shares, options over issued or unissued shares and performance rights in an entity. The Company's Option Plan is therefore an employee incentive scheme for the purposes of the ASX Listing Rules.

If this Resolution is passed, securities issued under the option Plan during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company should it require additional fundraising flexibility.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9:

- (a) a summary of the terms of the option Plan is outlined in Annexure A and a full copy of the option Plan is available for inspection at the Company's registered office until the date of the Annual General Meeting; and
- (b) 63,000,000 Options have been issued under the Company's existing Option Plan since the date of its approval on 29 September 2015. No shares have been issued on exercise of options issued under the Company's existing Option Plan.

The Board recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 - 9 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS

6.1 General

The Company is proposing to issue Options under the Option Plan, to Dr Mike Jones (Managing Director), Mr Peter Unsworth (Chairman), Mr Paul Ingram (Non-Executive Director), Dr Markus Elsasser (Non-Executive Director) and Squadron Resources Pty Ltd as nominee of Mr Eamon Hannon (Non-Executive Director) as a component of their remuneration, in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company.

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 60,000,000 Options under the Option Plan, to the Directors (**Related Parties**) on the terms and conditions set out below.

Under section 208 of the 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.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Options to Directors constitutes giving a financial benefit, and as a Director, each Director is a related party of the Company. The Company will not issue the Options to Directors unless Shareholder approval is granted.

The offer of Options to the Related Parties forms part of the Company's long term incentive objectives to encourage Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

The number of Options to be issued to Directors is determined based on factors such as length of service, continuity of executive management, significant contribution to the Company's success and to provide ongoing equity incentives to advance the Company and its assets. Furthermore, the grant of Options to Directors, is viewed as a cost effective and efficient reward and incentive of the Company as opposed to alternative forms of incentive, such as the payment of additional cash compensation to Directors.

6.2 Information required pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Options to Directors:

- (a) The Related Parties are Dr Mike Jones, Mr Peter Unsworth, Mr Paul Ingram, Dr Markus Elsasser and Mr Eamon Hannon who are related parties by virtue of being Directors.
- (b) The maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is set out below:

Related Party	Maximum Number	Exercise Price	Vesting	Expiry
Dr Mike Jones	20,000,000 Tranche A	\$0.030	30 Nov 2019	30 Nov 2021
	10,000,000 Tranche B	\$0.0375	30 Nov 2020	30 Nov 2022
Mr Peter Unsworth	8,000,000 Tranche A	\$0.030	30 Nov 2019	30 Nov 2021
	4,000,000 Tranche B	\$0.0375	30 Nov 2020	30 Nov 2022
Mr Paul Ingram	4,000,000 Tranche A	\$0.030	30 Nov 2019	30 Nov 2021
	2,000,000 Tranche B	\$0.0375	30 Nov 2020	30 Nov 2022
Dr Markus Elsasser	4,000,000 Tranche A	\$0.030	30 Nov 2019	30 Nov 2021
	2,000,000 Tranche B	\$0.0375	30 Nov 2020	30 Nov 2022
Mr Eamon Hannon / Squadron Resources Pty Ltd	4,000,000 Tranche A	\$0.030	30 Nov 2019	30 Nov 2021
	2,000,000 Tranche B	\$0.0375	30 Nov 2020	30 Nov 2022

- (c) The Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options to Directors will be issued on one date.
- (d) The Options will be granted for nil cash consideration, accordingly no funds will be raised.
- (e) The terms and conditions of the Options are set out in Annexure B.
- (f) The value of the Options and the pricing methodology is set out in Annexure C.
- (g) The relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Number of Shares	Number of Options
Dr Mike Jones	7,715,052	1,250,001 Listed Options 20,000,000 Unlisted Options
Mr Peter Unsworth	15,994,098	3,333,335 Listed Options 8,000,000 Unlisted Options
Mr Paul Ingram	580,680	4,000,000 Unlisted Options
Dr Markus Elsasser	23,310,402	4,000,000 Unlisted Options
Mr Eamon Hannon	Nil	Nil

- (1) Mr Hannon has nominated Squadron Resources Pty Ltd, as his nominee, to be issued the Options under Resolution 9. Mr Hannon is a director of Squadron Resources Pty Ltd but does not have a relevant interest in the Shares held by Squadron Resources Pty Ltd. Squadron Resources currently holds 195,767,192 Shares and 30,428,572 Unlisted Options.
- (h) the remuneration from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Dr Mike Jones	\$273,550	\$306,636
Mr Peter Unsworth	\$71,175	\$84,409
Mr Paul Ingram	\$27,375	\$33,992
Dr Markus Elsasser	\$27,375	\$33,992
Mr Eamon Hannon	\$25,000 ⁽¹⁾	\$14,583 ⁽¹⁾

- (1) Mr Hannon's fees are payable to Squadron Resources Pty Ltd.
- (i) if the Options granted to the Related Parties are exercised, a total of 60,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,321,679,789 to 1,381,679,789 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.33%, comprising 2.17% Dr Mike Jones, 0.87% by Mr Peter Unsworth, 0.43% by Mr Paul Ingram, 0.43% by Dr Markus Elsasser and 0.43% by Squadron Resources Pty Ltd as nominee of Mr Eamon Hannon.

The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date/s
Highest	\$0.034	9 Nov 2017, 11 Nov 2017
Lowest	\$0.011	29 May 2018
Last	\$0.012	11 Sep 2018

- (k) the primary purpose of the grant of Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.
- (l) Dr Jones declines to make a recommendation to Shareholders in relation to Resolution 5 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Options in the Company should the Resolution be passed. However, in respect of Resolutions 6, 7, 8 and 9, Dr Jones recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - a. the grant of the Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - b. the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - c. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (m) Mr Unsworth declines to make a recommendation to Shareholders in relation to Resolution 6 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Options in the Company should the Resolution be passed. However, in respect of Resolutions 5, 7, 8 and 9, Mr Unsworth recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - a. the grant of the Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - b. the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - c. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (n) Mr Ingram declines to make a recommendation to Shareholders in relation to Resolution 7 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Options in the Company should the Resolution be passed. However, in respect of Resolutions 5, 6, 8 and 9, Mr Ingram recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - a. the grant of the Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;

- b. the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - c. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (o) Dr Elsasser declines to make a recommendation to Shareholders in relation to Resolution 8 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Options in the Company should the Resolution be passed. However, in respect of Resolutions 5, 6, 7 and 9, Dr Elsasser recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - a. the grant of the Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - b. the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - c. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (p) Mr Hannon declines to make a recommendation to Shareholders in relation to Resolution 9 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Options in the Company should the Resolution be passed. However, in respect of Resolutions 5, 6, 7 and 8, Mr Hannon recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - a. the grant of the Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - b. the grant of the Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - c. it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options upon the terms proposed.
- (q) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares and the current market practices when determining the basis of issue of the Options.
- (r) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 to 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 10 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

7.1 General

ASX Listing Rule 7.1A enables eligible entities, subject to Shareholder approval, to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity, as its market capitalisation based on a Share price of \$0.012 (being the closing price of the Shares on ASX on 11 September 2018) is less than \$300 million.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors of the Company believe that Resolution 10 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

7.2 Description of Listing Rule 7.1A

a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

b) Equity Securities

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

As at the date of this Notice, the Company has on issue two classes of quoted Equity Securities, namely quoted Shares and quoted Options exercisable at \$0.04 each on or before 15 June 2020.

c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 1,321,679,789 Shares. The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price ("VWAP") of Equity Securities in the same class calculated over the 15 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

7.3 Listing Rule 7.1A

The effect of Resolution 10 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for

variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company currently has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A		Dilution		
		\$0.006 50% decrease in Issue Price	\$0.012 Issue Price	\$0.024 100% increase in Issue Price
Current Variable A 1,321,679,789 Shares	10% voting dilution	132,167,198 Shares	132,167,198 Shares	132,167,198 Shares
	Funds raised	\$793,007	\$1,586,015	\$3,172,031
50% increase in current variable A 1,982,519,683 Shares	10% voting dilution	198,251,968 Shares	198,251,968 Shares	198,251,968 Shares
	Funds raised	\$1,189,511	\$2,379,023	\$4,758,047
100% increase in current variable A 2,643,359,578 Shares	10% voting dilution	264,335,957 Shares	264,335,957 Shares	264,335,957 Shares
	Funds raised	\$1,586,015	\$3,172,031	\$6,344,062

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.
- (iv) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (v) The issue price is \$0.012, being the closing price of the Shares on ASX on 11 September 2018.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 10 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration work on the Company's Commonwealth, Clermont and Blackridge Projects and/or general working capital; or
 - (ii) non-cash consideration for the acquisition of new resources, assets, investments or for the payment of goods or services provided to the Company. 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.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard, but not limited to, the following factors:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) In the 12 months preceding the date of the AGM, the Company has issued 227,148,148 Equity Securities (being 185,648,148 fully paid ordinary shares and 41,500,000 Listed Options). This represents approximately 13.2% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of all issues of Equity Securities by the Company during the 12 months preceding the date of the AGM are as follows:

Date of issue:	21 December 2017
Number of equity securities issued:	A: 37,500,000 Shares B: 37,500,000 Options C: 4,000,000 Options
Class of equity security:	A: Fully paid ordinary shares B: Listed Options exercisable at \$0.04 on or before 15 June 2020. Note: The Options are free attaching and were issued on the basis of one Option for every Share issued. C: Listed Options exercisable at \$0.04 on or before 15 June 2020. Note: The Options were issued as part consideration to the Lead Manager of the November 2017 Placement.
Summary of the terms of the class of equity security:	A: The Shares rank equally in all respects with existing ordinary shares of the Company. B & C: Principal terms noted above. The Options rank equally with the existing listed options. The Options do not confer any right to participate in a dividend or interest payment. Shares issued on the exercise of the Options will rank equally with all existing Shares on issue.
Names of persons to whom the equity securities were issued or the basis on which those persons were determined:	A & B: ABC Beteiligungen AG C: Xcel Capital Pty Ltd
Price at which the equity securities were issued:	A: \$0.023 per Share. B: Nil (issued on the basis of one Option for every Share issued). C: Nil.
Discount of price to closing market price (if any):	A: Nil discount to the volume weighted average price (VWAP) of the Company's Shares traded on ASX during the 5 trading days immediately prior to the announcement date of 10 November 2017. B & C: N/A
Total cash consideration received:	A: \$862,500 (before costs) B & C: N/A
Amount of cash consideration spent and its use:	A: At the date of this Notice these funds have not been spent. B & C: N/A
Intended use of remaining cash consideration:	A: Funds will be used for drilling at the Company's 100% owned Commonwealth gold-silver-base metal project, for follow up work at its other projects and for general working capital. B & C: N/A
Non-cash consideration (if any):	A: N/A B & C: N/A
Current value of non-cash consideration:	A: N/A B & C: \$.002 (market price of listed Option at 29 August 2018)

Date of issue:	8 February 2018
Number of equity securities issued:	148,148,148 Shares
Class of equity security:	Fully paid ordinary shares
Summary of the terms of the class of equity security:	The Shares rank equally in all respects with existing ordinary shares of the Company.
Names of persons to whom the equity securities were issued or the basis on which those persons were determined:	The Shares were issued as consideration for the conversion of \$2,000,000 worth of Convertible Notes (Notes) held by Squadron Resources Pty Ltd.
Price at which the equity securities were issued:	\$0.0135 per Share.
Discount of price to closing market price (if any):	The Notes were converted to Shares at a conversion price of 80% of the 30-day VWAP prior to the date of the conversion of the Notes.
Total cash consideration received:	N/A
Amount of cash consideration spent and its use:	N/A
Intended use of remaining cash consideration:	N/A
Non-cash consideration (if any):	The Shares were issued as consideration for the conversion of \$2,000,000 worth of Convertible Notes held by Squadron Resources Pty Ltd.
Current value of non-cash consideration:	N/A

- (g) A voting exclusion statement is included in the Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 7.1 of the Explanatory Statement.

10% Placement Period has the meaning given in Section 7.2 of the Explanatory Statement.

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

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2018.

ASIC means the Australian Securities and Investment Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

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 means Impact Minerals Limited (ACN 119 062 261).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Equity Securities has the meaning given in the ASX Listing Rules.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the meeting convened by the Notice of Meeting.

Notice, Notice of Meeting or Notice of Annual General Meeting means this notice of Annual General Meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Option Plan has the meaning given in Section 5.1.

Resolution means a resolution as set out in the Notice of Meeting, or any of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company, unless specified to the contrary.

Shareholder means a holder of a Share.

Trading Day or Trading Days has the meaning given in the ASX Listing Rules.

VWAP means volume weighted average price.

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

ANNEXURE A - SUMMARY OF THE TERMS OF THE DIRECTOR AND EMPLOYEE OPTION ACQUISITION PLAN

The terms and conditions on which any options under the Option Plan (**Plan Options**) are granted to Directors and employees, including any vesting periods, will be governed by the terms set out in an offer or invitation to participate in the Option Plan made to eligible participants from time to time.

Eligible participants

The Option Plan is open to any person who is a full-time or part-time employee, Director or consultant of the Company or a related body corporate of the Company.

Plan Options may not be granted to a Director or his or her associates under the Option Plan unless approval of the grant is given by the Shareholders in general meeting in accordance with the requirements of the Listing Rules and the Corporations Act.

Board discretions

The Board has broad discretions under the Option Plan, including (without limitation) as to:

- a) the timing of making an offer to participate in the Option Plan;
- b) identifying persons eligible to participate in the Option Plan;
- c) the terms of issue of Plan Options (including vesting conditions, if any);
- d) modifying or waiving any or all of the rules of the Option Plan or any restriction or other condition relating to any Options allocated under the Option Plan; and
- e) the periods during which Plan Options may be exercised.

Issue Price

Plan Options must be offered under the Plan for no more than nominal consideration, being not more than 0.1 cent per Plan Option.

Exercise price

The exercise price of a Plan Option shall be the price determined by the Board in its absolute discretion prior to or on grant of the Plan Options.

Cashless Exercise Facility

The Board may determine in its absolute discretion and specify in an offer of Plan Options that a participant may elect to pay the exercise price for a Plan Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise of Plan Options.

Plan Options not to be quoted

The Plan Options will not be quoted on the ASX. However, application will be made to the ASX for official quotation of Shares issued on the exercise of Plan Options if the Shares are listed on the ASX at that time.

Shares issued on exercise of Plan Options

Each Plan Option entitles the holder to subscribe for and be issued with one Share.

Shares issued pursuant to the exercise of Plan Options will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.

Holders of Plan Options have no rights to vote at meetings of the Company or receive dividends until Shares are allotted on the exercise of Plan Options pursuant to the Option Plan.

Lapse of Plan Options

Unless the Directors in their absolute discretion determine otherwise, Plan Options shall lapse upon the earlier of:

- a) the expiry of the exercise date;
- b) any vesting condition is not satisfied;
- c) during the restricted period (if any), the Plan Option holder ceasing to be an eligible participant by reason of resignation, dismissal or termination of employment, office or services for any reason; or
- d) the expiry of one year after the Plan Option holder ceasing to be an eligible participant by reason of death, retirement, redundancy, or total permanent disability rendering the Holder incapable of performing his duties as determined by the Board; or
- e) any other reason which the Board believes is fair and reasonable to warrant the Plan Option holder not maintaining his right to exercise the Plan Options.

Restrictions on transfer

Plan Options granted under the Option Plan may not be assigned, transferred, novated, encumbered with a security interest in or over them, or otherwise disposed of by a participant without the prior consent of the Board or where such assignment or transfer occurs by force of law upon the death of a participant.

Restrictions on exercise

A Plan Option holder is not able to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Plan Options, or agree to do any of those things.

Plan Options may not be exercised during the period determined by the Board from, and including, the date of issue of an Option.

Participation rights of Plan Option holders

Participants will only be permitted to participate in an issue of new Shares by the Company if they exercise their Plan Options before the record date for the relevant issue. The Company must ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue of new Shares is announced. This will give Plan Option holders the opportunity to exercise their Plan Options prior to the date for determining entitlements to participate in any such issue.

Adjustment of Plan Options

If the Company makes a pro rata bonus issue, and a Plan Option is not exercised before the record date for that bonus issue, then on exercise of the Plan Option, the holder is entitled to receive the number of bonus shares which would have been issued if the Plan Option had been exercised before the record date.

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Plan Options to which each Plan Option holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Plan Options which are not conferred on Shareholders.

Takeovers

In the event of a takeover bid, certain capital reorganisations or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise of a Plan Option may lapse so that holders are able to participate in the relevant transaction.

Amending the Option Plan

Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Board (without the necessity of obtaining prior or subsequent consent of Shareholders) may from time to time amend all or any provisions of the Option Plan.

ANNEXURE B - OPTIONS TERMS AND CONDITIONS

TRANCHE A OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Vesting**

Each Option will vest at 5:00 pm (WST) on 30 November 2019 (**Vesting Date**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 November 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

Subject to paragraph (f), an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (**Exercise Period**).

(f) **Exercise of Options**

Notwithstanding paragraph (e), Options may be exercised:

- (i) during a Takeover Period;
- (ii) at any time after a Change of Control Event has occurred;
- (iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph (l);
- (iv) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- (v) in the Board's absolute discretion, within 12 months, in the event of the death or Permanent Disablement of an Eligible Participant, in respect of Options held by or on behalf of that Eligible Participant.

(g) **Notice of Exercise**

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised (which must be no less than 500 and then in multiples of 100) and must be accompanied by:

- (i) the Exercise Price for the number of Options specified in the notice; and
- (ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

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

Within 10 Business Days of the notice referred to in paragraph (g) above becoming effective, the Board must:

- (i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- (ii) cancel the certificate or holding statement for the Options being exercised; and
- (iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

(i) **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

(j) **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

The Company will not apply to have the Options granted under the Plan quoted on ASX or any other stock exchange.

(k) **New issues**

Holder will only be permitted to participate in a pro rata issue of Shares to the holders of Shares on the prior exercise of Options. The Company must notify the Holder of the proposed issue at least 6 Business Days before the record date to determine entitlements to the pro rata issue.

(l) **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

TRANCHE B OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

The amount payable upon exercise of each Option will be \$0.0375 (**Exercise Price**).

(c) **Vesting**

Each Option will vest at 5:00 pm (WST) on 30 November 2020 (**Vesting Date**).

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 November 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

Subject to paragraph (f), an Option may only be exercised after the Option has vested. The Options are exercisable at any time after the Vesting Date and on or prior to the Expiry Date (**Exercise Period**).

(f) **Exercise of Options**

Notwithstanding paragraph (e), Options may be exercised:

- (i) during a Takeover Period;
- (ii) at any time after a Change of Control Event has occurred;
- (iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph (l);
- (iv) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
- (v) in the Board's absolute discretion, within 12 months, in the event of the death or Permanent Disablement of an Eligible Participant, in respect of Options held by or on behalf of that Eligible Participant.

(g) **Notice of Exercise**

Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised (which must be no less than 500 and then in multiples of 100) and must be accompanied by:

- (i) the Exercise Price for the number of Options specified in the notice; and
- (ii) the certificate or holding statement for those Options, for cancellation by the Company.

A notice of exercise only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

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

Within 10 Business Days of the notice referred to in paragraph (g) above becoming effective, the Board must:

- (i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
- (ii) cancel the certificate or holding statement for the Options being exercised; and
- (iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

(i) **Allotment of Shares**

All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares.

(j) **Quotation on ASX**

If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.

The Company will not apply to have the Options granted under the Plan quoted on ASX or any other stock exchange.

(k) **New issues**

Holder will only be permitted to participate in a pro rata issue of Shares to the holders of Shares on the prior exercise of Options. The Company must notify the Holder of the proposed issue at least 6 Business Days before the record date to determine entitlements to the pro rata issue.

(l) **Reorganisation of capital**

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.

ANNEXURE C - VALUATION OF OPTIONS

The Options to be issued to the Directors pursuant to Resolutions 5 to 9 have been valued by Stantons International Securities using the Black Scholes option valuation methodology.

Using the Black Scholes option model and based on the assumptions set out below, the Options were ascribed the following values:

Assumptions	
Valuation date	11 September 2018
Market price of Shares (closing price)	\$0.012 being the last closing price as at 11 September 2018
Tranche A Options	
Exercise Price	\$0.03
Vesting Date	30 November 2019
Expiry Date	30 November 2021
Tranche B Options	
Exercise Price	\$0.0375
Vesting Date	30 November 2020
Expiry Date	30 November 2022
Risk free interest rate	2.017%
Volatility	106%
Indicative value per Tranche A Option	\$0.00575
Indicative value per Tranche B Option	\$0.00523
Total value of Options	\$334,600
Dr Mike Jones	\$167,300
Mr Peter Unsworth	\$66,920
Mr Paul Ingram	\$33,460
Dr Markus Elsasser	\$33,460
Mr Eamon Hannon / Squadron Resources Pty Ltd	\$33,460

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

impact.

MINERALS

ABN 52 119 062 261

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

IPT

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 2.00pm (WST) Tuesday, 6 November 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Impact Minerals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Impact Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 8 November 2018 at 2.00pm (WST) and at any adjournment or postponement 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 1 and 4 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 - 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. However, where the Chairman is the related party the subject of Resolutions 1 and 4 - 9 or is an associate of the related party, the Chairman will be excluded from voting undirected proxies.

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 1 and 4 - 9 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval of Issue of Options to Director – Mr Paul Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Eamon Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of Issue of Options to Director – Dr Markus Elsasser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Paul Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Issue of Options to a Nominee of a Director – Mr Eamon Hannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Director and Employee Option Acquisition Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Options to Director – Dr Mike Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval of Issue of Options to Director – Mr Peter Unsworth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

I P T

2 4 3 3 9 6 A

Computershare +