



Eagle Mountain Mining Limited

ACN 621 541 204

Notice of Annual General Meeting, Explanatory Statement and Proxy Form

Annual General Meeting to be held at

**Ground Floor, 22 Stirling Highway
Nedlands, Western Australia 6009**

On Friday, 16 November 2018 at 11.00am (WST)

IMPORTANT NOTE

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Important Information

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Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Snapshot date for eligibility to vote	5:00pm (WST) on Wednesday, 14 November 2018
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	11:00am (WST) on Wednesday, 14 November 2018
Annual General Meeting	11.00am (WST) on Friday, 16 November 2018

Defined terms

Capitalised terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Eagle Mountain Mining Limited (ACN 621 541 204) (**Eagle Mountain** or **Company**) will be held at **Ground Floor, 22 Stirling Highway, Nedlands, Perth, Western Australia** at **11.00am (WST)** on **Friday, 16 November 2018**.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

Financial Statements and Reports

To receive and consider the financial report, Directors' report and Auditor's report of the Company for the period from incorporation on 6 September 2017 to 30 June 2018, as contained in the Company's Annual Report.

Resolution 1: Adoption of Remuneration Report

To consider, and if thought fit, to pass, with or without amendment, 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 for the period ended 30 June 2018, as contained in the Company's Annual Report for 2018, be adopted by the Company."

Notes: In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

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 ("spill resolution") that another meeting be held within 90 days at which all of the offices of Director are vacated (other than the office of managing director) and each such office will be put to a vote. Refer to the Explanatory Statement for further information.

Resolution 2: Re-election of Director – Mr Rick Crabb

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

"That for the purposes of Listing Rule 14.4, article 6.3 of the Company's Constitution and for all other purposes, Mr Rick Wayne Crabb, a Director of the Company who retires in accordance with article 6.3(c) of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."

Resolution 3: Appointment of Auditor

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

“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, William Buck Audit (WA) Pty Ltd, having consented to act, be appointed as auditor of the Company.”

Resolution 4: Approval to Grant Piggy Back Options to Non-Related Parties

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the grant of up to 18,140,000 Piggy Back Options for nil cash consideration under the Piggy Back Options Offer to non-Related Party holders of Rights Offer Options, on the terms and conditions set out in the Explanatory Statement.”

Resolutions 5(a) – 5(f): Approval to Grant Piggy Back Options to Related Parties

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

- (a) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 4,581,250 Piggy Back Options to Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust, a Related Party of the Company by virtue of its relationship to Mr Charles Bass the Managing Director and Chief Executive Officer of the Company, or its nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.*
- (b) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 145,000 Piggy Back Options to Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account, a Related Party of the Company, or their nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.*
- (c) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 100,000 Piggy Back Options to Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust, a Related Party of the Company by virtue of its relationship to Mr Roger Port a non-executive Director of the Company, or its nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.*
- (d) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 32,500 Piggy Back Options to Mr Matthew Bass, a Related Party of the Company by virtue of his relationship to Mr Charles Bass a Director of the Company, or his nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.*
- (e) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 32,500 Piggy Back Options to Mr Samuel Bass, a Related Party of the Company by virtue of his relationship to Mr Charles Bass a Director of the Company, or his nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.*
- (f) *That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 93,750 Piggy Back Options to Mrs Ilean Doidge, a Related Party of the Company by virtue of her relationship to Mr Charles Bass a Director of the*

Company, or her nominee, for nil cash consideration under the Piggy Back Options Offer on the terms and conditions set out in the Explanatory Statement.


Resolution 6: Approval of Additional Placement Facility

To consider and, if thought fit, to pass, with or without amendment, 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 number of fully paid ordinary securities of the Company on issue (at the time of issue) calculated in accordance with the formula set out in Listing Rule 7.1A.2 for a period of 12 months from the date of the Meeting on the terms and conditions set out in the Explanatory Statement."

Note: Resolution 6 is a special resolution. To be passed, it must be approved by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

By order of the Board



Mark Pitts
Company Secretary
10 October 2018

Voting Prohibitions and Exclusions

Corporations Act voting prohibitions

Resolution	Voting prohibition	Exceptions
Resolution 1	<p>Pursuant to section 250R of the Corporations Act, members of Key Management Personnel and their Closely Related Parties may not vote on Resolution 1.</p> <p>Any votes cast in contravention of section 250R of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is approved.</p>	<p>This prohibition does not prevent the casting of a vote on Resolution 1 by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons:

Resolution	Excluded Parties
Resolution 4	A 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 Shareholder).
Resolution 5(a)	A person who is to receive securities in relation to the Company, being Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust (or its nominee) at the date of the Notice.
Resolution 5(b)	A person who is to receive securities in relation to the Company, being Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account (or their nominee) at the date of the Notice.
Resolution 5(c)	A person who is to receive securities in relation to the Company, being Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust (or its nominee) at the date of the Notice.
Resolution 5(d)	A person who is to receive securities in relation to the Company, being Mr Matthew Bass (or his nominee) at the date of the Notice.
Resolution 5(e)	A person who is to receive securities in relation to the Company, being Mr Samuel Bass (or his nominee) at the date of the Notice.
Resolution 5(f)	A person who is to receive securities in relation to the Company, being Mrs Ilean Doidge (or her nominee) at the date of the Notice.
Resolution 6	A 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 Shareholder).

However, the Company need not disregard a vote on Resolutions 4 – 6 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
- 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.

Proxy Appointment, Voting and Meeting Instructions

Lodgement of a Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by **11.00am (WST) on Wednesday, 14 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

- Computershare Investor Services, GPO Box 242, Melbourne, Victoria, 3001 OR
By facsimile: 1800 783 447 or +61 3 9473 2555
- Eagle Mountain Mining, Ground Floor, 22 Stirling Highway, Nedlands, Western Australia, 6009

For all enquiries call: (within Australia) 1300 850 505 / (outside Australia) +61 (03) 9415 4000

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll.

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel (except for the Chairman) and their Closely Related Parties are not able to vote your proxy on Resolution 1 (Adoption of the Remuneration Report) unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairman, a Director or any other member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

Chairman voting undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolution 1 (Adoption of the Remuneration Report) even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at **5:00pm (WST) on Wednesday, 14 November 2018**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Questions from Shareholders

At the Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report. A representative of William Buck, as the Auditor responsible for preparing the Auditor's report for the period from incorporation on 6 September 2017 to 30 June 2018 year, will attend the Meeting.

The Chairman will also allow a reasonable opportunity for Shareholders 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 in relation to the preparation of financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

To assist the Board and the Auditor of the Company in responding to questions please submit any questions you may have to the Company in writing by **5.00pm (WST) on Friday, 9 November 2018** in the same manner as outlined above for lodgement of Proxy Forms. Copies of written questions will be available at the meeting.

As required under section 250PA of the Corporations Act, the Company will make available at the Meeting those questions directed to the Auditor received in writing at least 5 business days prior to the Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report for the period from incorporation on 6 September 2017 to 30 June 2018. The Chairman will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

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

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Annual Financial Report

The Corporations Act requires that the Directors' report, Auditors' report and the financial statements of the Company for the period from incorporation on 6 September 2017 to 30 June 2018 be tabled at the Annual General Meeting. These reports are contained in the Company's Annual Report.

Neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders on the reports and financial statements. However, Shareholders will be given reasonable opportunity to raise questions on the reports and ask questions of the Company's Auditor.

2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' report in the Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of 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 of the Company, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the managing director) must go up for re-election.

The Company was incorporated on 6 September 2017 and this Meeting will be the first annual general meeting at which approval of a remuneration report is sought. Accordingly, a spill resolution will not under any circumstances be required to be considered at the Annual General Meeting.

A voting exclusion applies to Resolution 1 on the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy. The Chairman will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

3. Resolution 2: Re-election of Director – Mr Rick Crabb

3.1 Background

Resolution 2 seeks Shareholder approval for the re-election of Mr Rick Crabb as a Director of the Company.

In accordance with article 6.3(c) of the Constitution, at every annual general meeting of the Company one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment; or

(c) if the Directors have been in office for an equal length of time, by agreement.

Mr Crabb retires by rotation and offers himself for re-election as a Director.

3.2 **Biography – Mr Rick Crabb, Non-Executive Chairman**

Mr Rick Crabb is a founding director of the Company who was appointed upon incorporation on 6 September 2017.

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He practised as a solicitor from 1980 to 2004 with Robinson Cox (now Clayton Utz) and Blakiston & Crabb (now Gilbert + Tobin) specialising in mining, corporate and commercial law, advised in relation to numerous project developments in Australia and Africa.

Mr Crabb has since focused on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies including Gasgoyne Gold Mines Ltd and Otto Energy Ltd. He is currently also a director of Thundelarra Ltd and Chairman of Paladin Energy Limited.

Mr Crabb was a councillor on the Western Australian Division of the Australian Institute of Company Directors from 2008 to 2017.

3.3 **Directors' recommendation**

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

4. **Resolution 3: Appointment of Auditor**

4.1 **Background**

Resolution 3 seeks Shareholder approval for the appointment of William Buck as auditor of the Company.

William Buck was appointed auditor by the Board on 25 October 2018.

William Buck has been nominated by a member of the Company to be the auditor of Eagle Mountain. A copy of the nomination is enclosed with this notice at Schedule 2. William Buck has given, and has not withdrawn, its consent to act as auditor of Eagle Mountain.

If Resolution 3 is approved, William Buck will be appointed as the auditor of the Company with effect from the close of the Meeting.

4.2 **Corporations Act requirements**

Section 327B(1) of the Corporations Act requires that a company appoint an auditor at its first annual general meeting.

However, section 328B of the Corporations Act provides that a company may only appoint an auditor at its annual general meeting if a member of the company nominates the auditor in writing before the meeting is convened or not less than 21 days before the meeting.

Section 328A of the Corporations Act requires that an auditor provide its consent in writing to the appointment.

4.3 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3 to appoint William Buck as the auditor.

5. Resolution 4: Approval to Grant Piggy Back Options to Non-Related Parties

5.1 Background

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the grant of up to 18,140,000 Piggy Back Options to non-Related Parties of the Company upon the exercise of Rights Offer Options in accordance with the Piggy Back Options Offer contained in the Prospectus.

As described below, the Piggy Back Options Offer will not proceed unless each of Resolutions 4 and 5(a) – (f) are approved.

Non-Renounceable Rights Offer

On 3 September 2018 the Company announced its intention to undertake a non-renounceable rights offer to raise up to approximately \$231,250 (before costs) and issued a prospectus for the following offers of securities:

- a non-renounceable pro rata rights offer, to Shareholders with a registered address in Australia, New Zealand, Singapore or Switzerland (**Eligible Shareholders**) as at 5:00pm on 7 September 2018 (**Record Date**) of Rights Offer Options at a grant price of \$0.01 each, on the basis of 1 Rights Offer Option for every 4 Shares held by the Eligible Shareholder at the Record Date (**Rights Offer**);
- an offer to eligible investors of any shortfall Rights Offer Options for which applications are not received under the Rights Offer, at the same grant price as the Rights Offer (**Shortfall Offer**); and
- an offer of Piggy Back Options to all applicants who subscribe for Rights Offer Options under the Rights Offer or Shortfall Offer, on the basis of 1 Piggy Back Option granted for every 1 Rights Offer Option exercised at a grant price of nil (**Piggy Back Options Offer**).

Refer to the Company's Prospectus, and the Company's ASX announcement dated 3 September 2018 ('Non Renounceable Entitlement Issue') for further information in relation to the above offers.

Grant of Rights Offer Options

The Rights Offer and Shortfall Offer closed on 2 October 2018.

A total of 23,125,000 Rights Offer Options were granted by the Company on 9 October 2018 as follows:

- 16,202,351 Rights Offer Options were granted to Related Parties and non-Related Parties of the Company under the Rights Offer as an exception to Listing Rule 7.1 (being Listing Rule 7.2 (exception 1)); and
- 6,922,649 Rights Offer Options were granted to non-Related Parties of the Company under the Shortfall Offer as an exception to Listing Rule 7.1 (being Listing Rule 7.2 (exception 3)).

Shareholder approval was not required for the grant of the Rights Offer Options to non-Related Parties and Related Parties under the Listing Rules because the Rights Offer Options were offered to all Shareholders on a non-renounceable pro rata basis.

Piggy Back Options Offer

The total number of Piggy Back Options that may be granted to Related Parties and non-Related Parties under the Piggy Back Options Offer is 23,125,000.

The Piggy Back Options Offer contained in the Prospectus is conditional upon Shareholder approval being obtained at the Meeting for the grant of the Piggy Back Options (i.e. Shareholder approval of Resolutions 4 and 5(a) – (f)) because:

- (a) the Company does not have sufficient capacity to grant all of these Options pursuant to its Listing Rule 7.1 issuing capacity – the 23,125,000 Piggy Back Options proposed to be granted is greater than 15% of the total 92,500,001 Shares on issue; and

- (b) the Piggy Back Options (unlike the Rights Offer Options) are not offered to existing Shareholders on a pro rata basis, but are offered to all holders of Rights Offer Options.

The Piggy Back Options to be granted to Related Parties of the Company if each of Resolutions 5(a) – (f) are approved are in addition to the Piggy Back Options to be granted to non-Related Parties pursuant to Resolution 4.

If Shareholder approval of Resolutions 4 and 5(a) – (f) is received, each holder of a Rights Offer Option will be granted 1 Piggy Back Option for every 1 Rights Offer Option exercised. Exercise of Rights Offer Options will constitute an application for the number of Piggy Back Options that is equivalent to the number of Rights Offer Options exercised.

However, if the market price of Shares traded on ASX does not exceed the exercise price of the Rights Offer Options (being \$0.40) prior to the expiry date of the Rights Offer Options (being 5:00pm on 15 December 2018), it is unlikely that Rights Offer Options will be exercised. In these circumstances, some or all of the Piggy Back Options may not be granted, notwithstanding that the grant of these Piggy Back Options may have been approved by Shareholders under Resolutions 4 and 5(a) – (f).

If Shareholder approval of any of Resolutions 4, or 5(a) – (f) is not received, the Piggy Back Options Offer will not proceed and no Piggy Back Options will be granted on exercise of Rights Offer Options.

Use of funds

The purpose of the Offers is to raise funds for the Company's ongoing exploration of its Silver Mountain Project.

The Company raised \$231,250 (before costs) from the grant of Rights Offer Options under the Rights Offer and Shortfall Offer. The Company will raise an additional:

- \$4,625,000 (before costs) if 50% of the Rights Offer Options are exercised; and
- \$9,250,000 (before costs) if 100% of the Rights Offer Options are exercised.

If Resolutions 4 and 5(a) – (f) are approved, the Company will raise up to:

- \$13,875,000 (before costs), assuming that 50% of the Rights Offer Options are exercised, and the Piggy Back Options granted on exercise of such Rights Offer Options are subsequently exercised; and
- \$27,750,000 (before costs) assuming that 100% of the Rights Offer Options are exercised, and the Piggy Back Options granted on exercise of such Rights Offer Options are subsequently exercised.

The table below shows how the Company intends to apply the funds raised in each of the four scenarios:

Use of funds	50% of the Rights Offer Options are exercised	100% of the Rights Offer Options are exercised	50% of the Rights Offer Options are exercised and the Piggy Back Options granted on exercise are exercised	100% of the Rights Offer Options are exercised and the Piggy Back Options granted on exercise are exercised
Cash on hand (as at 30 June 2018)	\$6,795,421	\$6,795,421	\$6,795,421	6,795,421
Funds raised	\$4,625,000	\$9,250,000	\$13,875,000	\$27,750,000
Total funds available	\$11,420,421	\$16,045,421	\$20,670,421	\$34,545,421
Use of funds				
Drilling related exploration costs	6,672,000	10,397,000	13,100,000	20,500,000
Non-drilling exploration costs	3,086,000	3,586,000	4,750,000	6,750,000
Working capital, corporate and administration	1,662,421	2,062,421	2,820,421	7,295,421
Total	\$11,420,421	\$16,045,421	\$20,670,421	\$34,545,421

Notes:

1. The table shows the Company's proposed use of funds assuming various scenarios as stated in the table.
2. The Company has prepared a one year exploration budget and considers that the amounts specified in the table above will be sufficient to carry out its exploration activities over this period, in respect of each scenario listed. All planned exploration is predicated on success and expenditure will be modified dependent on results.
3. Working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

5.2 Applicable Listing Rules

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by a company during the previous 12 months, exceed 15% of the number of Shares on issue at the commencement of that 12 month period.

Approval of Resolution 4 will mean that the Company will be able to grant up to a total of 18,140,000 Piggy Back Options to holders of Rights Offer Options that are not Related Parties of the Company under the Piggy Back Options Offer upon exercise of Rights Offer Options without those Piggy Back Options being included in the Company's issuing capacity calculation for the purposes of Listing Rule 7.1.

5.3 Listing Rule information requirements

Listing Rule 7.3 requires that the following information be provided to the Shareholders in relation to Resolution 4 for the purposes of obtaining approval under Listing Rule 7.1:

(a) The maximum number of securities to be issued

The maximum number of securities which may be issued pursuant to Resolution 4 is 18,140,000 Piggy Back Options.

The Piggy Back Options which may be granted to non-Related Parties pursuant to Resolution 4 are in addition to the Piggy Back Options which may be granted to Related Party Recipients if Resolutions 5(a) – (f) are approved.

(b) The date by which securities will be issued

Exercise of Rights Offer Options will constitute an application for the number of Piggy Back Options that is equivalent to the number of Rights Offer Options exercised.

Piggy Back Options will be granted by the Company on an ongoing basis as Rights Offer Options are exercised and in any event, will be granted no later than 3 months after the date of the Meeting (or such later date as permitted by the Listing Rules).

As described in section 5.1 above, if some or all of the Rights Offer Options are not exercised, some or all of the Piggy Back Options may not be granted (notwithstanding Shareholder approval of Resolutions 4 and 5(a) – (f)).

(c) The issue price of the securities

The Piggy Back Options will be issued for nil cash consideration.

(d) The name of the recipients of the securities

The recipients of the Piggy Back Options will be holders of Rights Offer Options that are not Related Parties of the Company who exercise their Rights Offer Options (or their nominees). The holders of Rights Offer Options comprise Eligible Shareholders who subscribed for their entitlements under the Rights Offer, and other investors who were granted Rights Offer Options under the Shortfall Offer.

(e) The terms of the securities

The Piggy Back Options are exercisable at \$0.80 each on or before 15 December 2019. The full terms and conditions of the Piggy Back Options are set out at Schedule 1.

(f) The intended use of the funds raised

The Piggy Back Options will be granted upon exercise of Rights Offer Options for nil cash consideration. Accordingly, no funds will be raised by the grant of the Piggy Back Options.

Refer to section 5.1 above for details of how the Company intends to use the funds raised from the exercise of Piggy Back Options assuming various different scenarios and that Resolutions 4 and 5(a) – (f) are approved.

5.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4 to enable the Company to, subject to approval of Resolutions 5(a) – (f), proceed with the Piggy Back Options Offer and grant the Piggy Back Options to non-Related Parties of the Company upon the exercise of Rights Offer Options.

6. Resolutions 5(a) – 5(f): Approval to Grant Piggy Back Options to Related Parties

6.1 Background

Resolutions 5(a) – (f) seek Shareholder approval for the purposes of Listing Rule 10.11 for the grant of up to 4,985,000 Piggy Back Options to Related Parties of the Company upon the exercise of Rights Offer Options in accordance with the Piggy Back Options Offer contained in the Prospectus.

As described in section 5.1 above, the Piggy Back Options Offer will not proceed unless each of Resolutions 4 and 5(a) – (f) are approved.

6.2 Applicable Listing Rules

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities (i.e. Piggy Back Options), or other securities with rights of conversion to equity, to a related party without shareholder approval.

The Company proposes to grant Piggy Back Options to each of the following (the **Related Party Recipients**):

- (a) Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust (or its nominee) – Silver Mountain Nominee is an entity controlled by the spouse of Mr Charles Bass (the Managing Director and Chief Executive Officer of the Company) and the beneficiaries of the Silver Mountain Trust include children of Mr Bass; Charles Bass personally is not a beneficiary of the Silver Mountain Trust;
- (b) Mr Rick Crabb (the Chairman of the Company) and Mrs Carol Jean Crabb as trustees for the Intermax Account (or their nominee);
- (c) Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust – an entity controlled by Mr Roger Port, a non-executive Director of the Company, and Mr Port is a beneficiary of the Maitland No.2 Trust (or its nominee);
- (d) Mr Matthew Bass – the son of Mr Charles Bass, the Managing Director of the Company (or his nominee);
- (e) Mr Samuel Bass – the son of Mr Charles Bass, the Managing Director of the Company (or his nominee); and
- (f) Mrs Ilean Doidge – the mother of Mr Charles Bass, the Managing Director of the Company (or her nominee).

Accordingly, each Related Party Recipient is a related party of the Company for the purposes of the Listing Rules.

If Resolutions 5(a) – (f) are approved, then approval is not required under Listing Rule 7.1 for the grant of the Piggy Back Options to the Related Party Recipients.

6.3 Chapter 2E of the Corporations Act

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- 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.

Section 215 of the Corporations Act provides that Shareholder approval is not required to give a financial benefit to a Related Party if the benefit is given to the Related Party in their capacity as a Shareholder and giving the benefit does not discriminate unfairly against the other Shareholders.

The granting of Piggy Back Options to the Related Party Recipients constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

In relation to the proposed grant of Piggy Back Options to the Related Party Recipients:

- each Eligible Shareholder (including each Related Party Recipient) was entitled to participate in the Rights Offer on an equal pro rata basis;

- the grant of Rights Offer Options to the Related Party Recipients occurred as a result of each Related Party subscribing for some or all of its pro rata entitlement under the Rights Offer (i.e. the benefit was given each Related Party Recipient in its capacity as a Shareholder);
- each Eligible Shareholder that participated in the Rights Offer (including each Related Party Recipient) was offered, pursuant to the Piggy Back Options Offer, Piggy Back Options on the basis of 1 Piggy Back Option granted for every 1 Rights Offer Option exercised (subject to Shareholder approval);
- subject to Shareholder approval of Resolutions 4 and 5(a) – (f), and the Rights Offer Options held by Related Party Recipients being exercised, the grant of Piggy Back Offer Options to the Related Party Recipients will occur as a direct result of each Related Party subscribing for its pro rata entitlement of Rights Offer Options under the Rights Offer (i.e. the benefit will be given to each Related Party Recipient in its capacity as a Shareholder); and
- all Eligible Shareholders (including Related Parties) who participated in the Rights Offer and subscribed for Rights Offer Options will participate in the Piggy Back Options Offer on an equal basis, and accordingly the proposed grant of Piggy Back Offer Options to Related Party Recipients will not discriminate unfairly against other Shareholders as all Eligible Shareholders were given the opportunity to participate in the Piggy Back Options Offer on identical terms to the Related Party Recipients.

Accordingly, Shareholder approval is not required for the purposes of section 208 of the Corporations Act for the Company to grant the Piggy Back Options to the Related Party Recipients pursuant to section 215 of the Corporations Act as the benefit proposed to be given to the Related Party Recipients will be given in their capacity as Shareholders and giving the benefit does not discriminate unfairly against the other Shareholders. However Shareholder approval of the grant of Piggy Back Options to Related Parties is required for the purposes of the Listing Rules.

The Related Party Recipients received Rights Offer Options as a result of each Related Party Recipient subscribing for its entitlement under the Rights Offer. The Related Party Recipients did not participate in the Shortfall Offer.

6.4 Listing Rule information requirements

Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to Resolutions 5(a) – (f) for the purposes of obtaining approval under Listing Rule 10.11:

(a) **The name of the recipient and statement of relationship**

- (i) **Resolution 5(a):** Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust (or its nominee). This Related Party Recipient is a Related Party of the Company as it is an entity controlled by the spouse of Mr Charles Bass (the Managing Director and Chief Executive Officer of the Company) and the beneficiaries of the Silver Mountain Trust include children of Mr Bass;
- (ii) **Resolution 5(b):** Mr Rick Crabb and Mrs Carol Jean Crabb (Mr Crabb's spouse) as trustees for the Intermax Account (or their nominee). This Related Party Recipient is a Related Party of the Company as Mr Crabb is the Chairman of the Company, and Mrs Crabb is Mr Crabb's spouse;
- (iii) **Resolution 5(c):** Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust (or its nominee). This Related Party Recipient is a Related Party of the Company as Leptiptidium Pty Ltd is controlled by Mr Roger Port, a non-executive Director of the Company, and Mr Port is a beneficiary of the Maitland No.2 Trust;
- (iv) **Resolution 5(d):** Mr Matthew Bass (or his nominee). This Related Party Recipient is a Related Party of the Company as Mr Matthew Bass is the son of Mr Charles Bass, the Managing Director of the Company;
- (v) **Resolution 5(e):** Mr Samuel Bass (or his nominee). This Related Party Recipient is a Related Party of the Company as Mr Samuel Bass is the son of Mr Charles Bass, the Managing Director of the Company; and

- (vi) **Resolution 5(f):** Mrs Ilean Doidge. This Related Party Recipient is a Related Party of the Company as Mrs Ilean Doidge is the mother of Mr Charles Bass, the Managing Director of the Company.

(b) **The maximum number of securities to be issued**

The maximum number of securities which may be issued pursuant to each of Resolutions 5(a) – (f) is 4,985,000 Piggy Back Options, as follows:

- (i) **Resolution 5(a):** 4,581,250 Piggy Back Options to Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust (or its nominee);
- (ii) **Resolution 5(b):** 145,000 Piggy Back Options to Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account (or their nominee);
- (iii) **Resolution 5(c):** 100,000 Piggy Back Options to Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust (or its nominee);
- (iv) **Resolution 5(d):** 32,500 Piggy Back Options to Mr Matthew Bass (or his nominee);
- (v) **Resolution 5(e):** 32,500 Piggy Back Options to Mr Samuel Bass (or his nominee); and
- (vi) **Resolution 5(f):** 93,750 Piggy Back Options to Mrs Ilean Doidge (or her nominee).

The Piggy Back Options which may be granted to the Related Party Recipients pursuant to Resolutions 5(a) – (f) are in addition to the Piggy Back Options which may be granted to non-Related Parties if Resolution 4 is approved.

(c) **The issue date**

Exercise of Rights Offer Options will constitute an application for the number of Piggy Back Options that is equivalent to the number of Rights Offer Options exercised.

Piggy Back Options will be granted by the Company to Related Party Recipients on an ongoing basis as Rights Offer Options are exercised and in any event, will be granted no later than 1 month after the date of the Meeting (or such later date as permitted by ASX).

As described in section 5.1 above, if some or all of the Rights Offer Options are not exercised, some or all of the Piggy Back Options may not be granted (notwithstanding Shareholder approval of Resolutions 4 and 5(a) – (f)).

(d) **The issue price**

The Piggy Back Options will be granted for nil cash consideration.

(e) **The terms of the securities**

The Piggy Back Options are exercisable at \$0.80 each on or before 15 December 2019. The full terms and conditions of the Piggy Back Options are set out at Schedule 1.

(f) **The intended use of the funds raised**

The Piggy Back Options will be granted upon exercise of Rights Offer Options for nil cash consideration. Accordingly, no funds will be raised by the grant of the Piggy Back Options.

Refer to section 5.1 above for details of how the Company intends to use the funds raised from the exercise of Piggy Back Options assuming various different scenarios and that Resolutions 4 and 5(a) – (f) are approved.

6.5 Directors' recommendation

Each Related Party Recipient is a Related Party of the Company by virtue of its relationship with a Director.

Accordingly:

- (a) Mr Charles Bass has a material personal interest in the outcome of Resolutions 5(a) and 5(d) – (f) ;
- (b) Mr Rick Crabb has a material personal interest in the outcome of Resolution 5(b); and
- (c) Mr Roger Port has a material personal interest in the outcome of Resolution 5(c).

In the interests of good corporate governance, the Directors decline to make any recommendations as to how Shareholders should vote on any of Resolutions 5(a) – (f) (not just in respect of those Resolutions in which they individually have a material personal interest) as they may each acquire a relevant interest in Piggy Back Options if Resolutions 5(a) – (f) are approved.

7. Resolution 6: Approval of Additional Placement Facility

7.1 Background

Resolution 6 seeks Shareholder approval for an additional issuing capacity under Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 6 would enable the Company to issue additional Equity Securities (calculated below) over a 12 month period without obtaining Shareholder approval.

Resolution 6 is a special resolution. It must be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

7.2 Applicable Listing Rules

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting, to have an additional capacity to issue additional Equity Securities issue equal to approximately 10% of its issued capital, over a 12 month period.

The Company is an eligible entity (being an entity with market capitalisation of \$300 million or less and which is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this Resolution for the Additional Placement Facility.

7.3 Requirements of Listing Rule 7.1A

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary Shares.

(b) Number of Equity Securities that may be issued

Listing Rule 7.1 permits the Company to issue Equity Securities equal to approximately 15% of the Company's issued capital over a 12 month period without shareholder approval.

The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing Resolution 6 is to allow the Company to issue Equity Securities equal to approximately 25% of its issued capital during the next 12 months without first obtaining specific Shareholder approval.

The exact number of additional Equity Securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 92,500,001 Shares on issue. If Resolution 6 is approved, the Company will be permitted to issue (as at the date of this Notice) approximately:

- (i) 13,875,000 Equity Securities under the Listing Rule 7.1 (15% placement capacity); and
- (ii) 9,250,000 Equity Securities under the Additional Placement Capacity.

(c) **Formula for Additional Placement Facility**

If Resolution 6 is approved, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4;
- less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = 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 issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

7.4 Listing Rule information requirements

Listing Rule 7.3A requires that the following information be provided to Shareholders in relation to Resolution 6 for the purposes of obtaining approval under Listing Rule 7.1A:

(a) **Minimum price at which Equity Securities may be issued**

The issue price of any Equity Security under the Additional Placement Facility will not be less than 75% of the VWAP for 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 securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

(b) **Risk of economic and voting dilution**

If Resolution 6 is approved and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date or the new Equity Securities may be issued in consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Issue price		
		\$0.38 (market price)	\$0.285 (25% decrease in market price)	\$0.19 (50% decrease in market price)
Current issued capital A = 92,500,001	Shares issued under LR 7.1A	9,250,000	9,250,000	9,250,000
	Voting dilution	10%	10%	10%
	Funds raised	\$3,515,000	\$2,636,250	\$1,757,500
	Economic dilution	0%	2.27%	4.55%
50% increase in issued capital A = 138,750,001	Shares issued under LR 7.1A	13,875,000	13,875,000	13,875,000
	Voting dilution	10%	10%	10%
	Funds raised	\$5,272,500	\$3,954,375	\$2,636,250
	Economic dilution	0%	2.27%	4.55%
100% increase in current issued capital A = 185,000,002	Shares issued under LR 7.1A	18,500,000	18,500,000	18,500,000
	Voting dilution	10%	10%	10%
	Funds raised	\$7,030,000	\$5,272,500	\$3,515,000
	Economic dilution	0%	2.27%	4.55%

The above table has been prepared on the following assumptions:

- the latest available market price of Shares, being the closing price as at 9 October 2018, was \$0.38;

2. the Company issues the maximum number of Equity Securities available under the Additional Placement Facility;
3. existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
4. the Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility;
5. the impact of placements under Listing Rule 7.1 or following the exercise of Options is not included in the calculations; and
6. Economic dilution (ED) is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MP = the market price of shares traded on ASX, expressed in dollars;

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of shares on issue;

NMC = notional market capitalisation, being the MC plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total shares on issue following new Equity Security issue.

(c) **Date by which Equity Securities may be issued**

Equity Securities may be issued under the Additional Placement Facility for 12 months after the Meeting (i.e. until 16 November 2019).

However, the approval of the Additional Placement Facility under this Resolution 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 the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).

(d) **Purpose for which Equity Securities may be issued**

The Company may seek to issue Equity Securities under the Additional Placement Facility for the following purposes:

- (i) cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
- (ii) non-cash consideration to acquire new assets or make investments; in these circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a Related Party or an associate of a Related Party of the Company, except as permitted under Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the Additional Placement Facility.

(f) **Additional information on issued securities**

The Company was admitted to the official list of ASX on 14 March 2018. Accordingly, the Company has not previously obtained approval under Listing Rule 7.1A.

(g) **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6 as it will give the Company the flexibility to raise and fund necessary working capital whilst preserving the Company's cash reserves.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

A\$ or \$	Australian dollars.
Additional Placement Capacity	Has the meaning given to that term in section 7.1 of this Explanatory Statement.
Annual General Meeting or Meeting	The annual general meeting of Shareholders, or any adjournment thereof, convened by this Notice.
Annual Report	The annual report of the Company for the period from incorporation on 6 September 2017 to 30 June 2018, including the financial report, the Directors' report and the Auditor's report.
Associate	Has the meaning given to that term in the Listing Rules.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Auditor	The auditor of the Company, being William Buck at the date of this Notice.
Board	The board of Directors of the Company.
Chairman	The chairman of the Annual General Meeting.
Closely Related Party	Has same meaning given to that term in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none"> (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 <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).
Company or Eagle Mountain	Eagle Mountain Mining Limited (ACN 621 541 204).
Company Secretary	The company secretary of the Company at the time of the Meeting.
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	Has the meaning given to that term in section 5.1.
Equity Security	Has the meaning given to that term in ASX Listing Rule 19.12, being: <ul style="list-style-type: none"> (a) a share; (b) a unit; (c) a right to a share or unit or option; (d) an option over an issued or unissued security; (e) a convertible security; (f) any security that ASX decides to classify as an equity security; (g) but not a security that ASX decides to classify as a debt security.

Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
Glossary	This glossary of terms.
Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report 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.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Offers	The Rights Offer, the Shortfall Offer and the Piggy Back Options Offer or any one of those offers as the case may be.
Option	An option to subscribe for a Share.
Piggy Back Option	An Option offered under the Piggy Back Options Offer, exercisable at \$0.80 on or before 15 December 2019 and otherwise on the terms set out at Schedule 1.
Piggy Back Options Offer	Has the meaning given to that term in section 5.1.
Prospectus	The prospectus issued by the Company on 3 September 2018, pursuant to which the Company makes the Rights Offer, Shortfall Offer and Piggy Back Options Offer.
Proxy Form	The proxy form accompanying this Notice of Meeting.
Related Party	Has the meaning given to that term in section 228 of the Corporations Act.
Related Party Recipients	Has the meaning given to that term in section 6.2.
Remuneration Report	The remuneration report of the Company for the period from incorporation on 6 September 2017 to 30 June 2018, appearing in the Annual Report.
Resolution	A resolution set out in the Notice.
Rights Offer	Has the meaning given to that term in section 5.1.
Rights Offer Option	An Option granted under the Rights Offer or Shortfall Offer, exercisable at \$0.40 on or before 15 December 2018 and otherwise on the terms set out in Section 5.1 of the Prospectus.
Shareholder	The holder of a Share.
Shortfall Offer	Has the meaning given to that term in section 5.1.
Silver Mountain Nominee	Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762).
Silver Mountain Project	The portfolio of prospective copper and gold metal exploration assets located in the Yavapai County of central Arizona, USA held by Silver Mountain Mining LLC.
VWAP	The volume weighted average market price as that term is defined in the Listing Rules.
William Buck	William Buck Audit (WA) Pty Ltd (ACN 125 012 124).
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Terms of Piggy Back Options

The terms and conditions of the Piggy Back Options, which are offered to holders of Rights Offer Options issued under the Offers for nil additional cash consideration under the Piggy Back Options Offer and will be granted if and when Rights Offer Options are exercised, are set out below:

- (a) Each Piggy Back Option entitles the holder (**Option Holder**) to subscribe for 1 fully paid ordinary Share in the Company.
- (b) The exercise price of each Piggy Back Option is \$0.80 (**Exercise Price**) and will be payable in full on exercise.
- (c) Each Piggy Back Option may be exercised at any time before 5.00pm (WST) on 15 December 2019 (**Expiry Date**). Piggy Back Options not exercised by the Expiry Date will automatically expire.
- (d) The Company must give the Option Holder a certificate or Holding Statement stating:
 - (i) the number of Piggy Back Options issued to the Option Holder;
 - (ii) the Exercise Price of the Piggy Back Options; and
 - (iii) the date of issue of the Piggy Back Options.
- (e) The Piggy Back Options may be transferred by an instrument in the form commonly used for transfer of Options at any time until the Expiry Date.
- (f) An instrument of transfer for a Piggy Back Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company's Share Registry, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Piggy Back Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Piggy Back Options, the right of the transferor to transfer those Piggy Back Options and the proper execution of the instrument of transfer.
- (g) The Company will apply to ASX for official quotation of the Shares issued on exercise of Piggy Back Options.
- (h) There will be no participating entitlements inherent in the Piggy Back Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Piggy Back Option. Prior to any new pro-rata issue of securities to Shareholders, holders of Piggy Back Options will be notified by the Company in accordance with the requirements of the Listing Rules.
- (i) In the event of a bonus issue of securities, the number of Shares over which the Piggy Back Options are exercisable may be increased by the number of Shares that the Option holders would have received if the Options had been exercised before the record date for the bonus issue.
- (j) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the Listing Rules.
- (k) There is no right to a change in the Exercise Price of the Piggy Back Options or to the number of Shares over which the Piggy Back Options are exercisable in the event of a new issue of

capital (other than a bonus issue or a pro rata issue) during the currency of the Piggy Back Options held.

- (l) Piggy Back Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the Piggy Back Options held by the Option Holder accompanied by an Option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Piggy Back Options. An exercise of only some of the Piggy Back Options will not affect the rights of the Option Holder to the balance of the Piggy Back Options.
- (m) Piggy Back Options will be deemed to have been exercised on the later of the date the exercise notice is lodged with the Company and the date the Company receives full payment of the Exercise Price.
- (n) Within 10 business days after receiving an application for exercise of Piggy Back Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.
- (o) Shares issued pursuant to an exercise of Piggy Back Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company.
- (p) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.
- (q) These terms and conditions of Piggy Back Options may be amended as necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms and conditions of Piggy Back Options, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Option Holder are not diminished or terminated following such amendment.

Schedule 2 – Auditor's Nomination

8 October 2018

The Board of Directors
Eagle Mountain Mining Limited
Ground Floor, 22 Stirling Highway
Nedlands WA 6008

Dear Sirs,

Notice of Nomination of Auditor

Pursuant to Section 328B(1) of the Corporations Act 2001, I Mark Pitts being a member of Eagle Mountain Mining Limited, hereby give you notice of the nomination of William Buck Audit (WA) Pty Ltd of Level 3, 15 Labouchere Road, South Perth as auditor of Eagle Mountain Mining Limited.

Yours faithfully,



Mark Pitts

EM2
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



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

Proxy Form

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For your vote to be effective it must be received by 11:00am (WST) Wednesday, 14 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

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.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

<http://eaglemountain.com.au>

to view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



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

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.



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IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Eagle Mountain Mining 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 Eagle Mountain Mining Limited to be held at Ground Floor, 22 Stirling Highway, Nedlands, Western Australia on Friday, 16 November 2018 at 11:00am (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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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 Resolution 1 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.

ORDINARY BUSINESS

Resolution 1 Adoption of Remuneration Report

Resolution 2 Re-election of Director - Mr Rick Crabb

Resolution 3 Appointment of Auditor

Resolution 4 Approval to Grant Piggy Back Options to Non-Related Parties

Resolution 5a Approval to Grant Piggy Back Options to Related Party - Silver Mountain Mining Nominee Pty Ltd (ACN 163 993 762) as trustee for the Silver Mountain Mining Trust

Resolution 5b Approval to Grant Piggy Back Options to Related Party - Mr Rick Crabb and Mrs Carol Jean Crabb as trustees for the Intermax Account

Resolution 5c Approval to Grant Piggy Back Options to Related Party - Leptiptidium Pty Ltd (ACN 609 615 143) as trustee for the Maitland No.2 Trust

Resolution 5d Approval to Grant Piggy Back Options to Related Party - Mr Matthew Bass

Resolution 5e Approval to Grant Piggy Back Options to Related Party - Mr Samuel Bass

Resolution 5f Approval to Grant Piggy Back Options to Related Party - Mrs Ilean Doidge

Resolution 6 Approval of Additional Placement Facility

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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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

EM2

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Computershare +