

Queensland Bauxite Limited

ACN 124 873 507

**Notice of General Meeting
to be held on 15 September 2014**

and

**Explanatory Memorandum
for the Notice of General Meeting**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE,
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT
OR OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE GENERAL MEETING TO BE HELD
AT
LEVEL 16, 1 MARKET STREET, SYDNEY NSW 2000**

AT 11:30AM SYDNEY TIME ON MONDAY, 15 SEPTEMBER 2014

**TO BE VALID, FORMS OF PROXY FOR USE AT THE GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
11:30AM SYDNEY TIME ON SATURDAY, 13 SEPTEMBER 2014**

Section A Glossary

1. Definitions

Words defined in the Explanatory Memorandum have the same meaning when used in this Notice of General Meeting unless the context requires otherwise. For assistance in considering the Notice of General Meeting, the following words are defined here:

Associate	has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
ASX	means ASX Limited ACN 008 624 691 or the securities market operated by the ASX, as the case may be.
ASX Listing Rules	means the official listing rules issued and enforced by the ASX as amended from time to time.
Board	means the board of Directors.
Company	means Queensland Bauxite Limited ACN 124 873 507.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Employee Share Option Plan	means the Employee Share Option Plan of the Company, details of which are set out in paragraph 4 of the Explanatory Memorandum.
Explanatory Memorandum	means the explanatory memorandum set out in Section C of this document.
First State	means First State Pty Ltd ACN 155 959 569.
First State Interest	means the 50% interest held by First State in Exploration Licence 7301 located in the Nullamana region of Inverell in northern New South Wales.
Notice of General	means the notice of General Meeting set out in Section B of this

Meeting or Notice	document.
Official Quotation and Officially Quoted	means officially quoted on the ASX.
Option	means an option in the issued capital of the Company which when exercised converts into one Share and Options means any two or more of them.
Resolution	means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll.
Restricted Securities	<p>means securities of the Company that:</p> <ul style="list-style-type: none"> (a) are subject to escrow restrictions as determined in accordance with Appendix 9B of the ASX Listing Rules; or (b) in the opinion of the ASX, should be treated as restricted securities.
Share	means a fully paid ordinary share in the issued capital of the Company and Shares means any two or more of them.
Shareholder	means a holder of a Share.

Section B Notice of General Meeting

NOTICE IS HEREBY GIVEN that the General Meeting of the Shareholders of Queensland Bauxite Limited ACN 124 873 507 (the **Company**) will be held at Level 16, 1 Market Street, Sydney on Monday, 15 September 2014 at 11:30 am (Sydney time).

The Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting should be considered prior to Shareholders voting on the matters to be considered at the General Meeting.

If you are unable to attend the General Meeting, please complete and return the enclosed proxy form in accordance with the specified directions in this Notice of General Meeting and on the proxy form.

Defined terms used in this Notice of General Meeting have the meanings given to them in the Glossary accompanying this Notice of General Meeting.

1. Special business

1.1 Resolution 1: Issue of Shares to First State

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

That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company be permitted and authorised to issue to First State 37.5 million Shares and 30 million Options in consideration for the transfer of the First State Interest by First State to the Company as described in paragraph 2 of the Explanatory Memorandum (Section C).

1.2 Resolution 2: Past issue of Shares

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

That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the past issue of a total of 8,746,301 fully paid Shares in the capital of the Company to Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads on the terms and conditions set out in paragraph 3 of the Explanatory Memorandum (Section C).

1.3 Resolution 3: Approve Employee Share Option Plan

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

That, in accordance with Exception 9 of ASX Listing Rule 7.2 and ASX Listing Rule 10.14 and for all other purposes:

- (A) *the Employee Share Option Plan be approved;*
- (B) *the Company be permitted and authorised to issue Shares to, and for the benefit of, employees of the Company (including executive Directors); and*
- (C) *the Company be permitted and authorised to issue Options to, and for the benefit of, employees of the Company (including executive Directors),*

on the terms contained in the Employee Share Option Plan, and otherwise on the terms more fully described in paragraph 4 of the Explanatory Memorandum (Section C).

1.4 Resolution 4: Issue of Shares to Meyer Gutnick or his nominee

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

That, in accordance with ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue up to 5 million Shares to Meyer Gutnick or his nominee on the terms more fully described in paragraph 5 of the Explanatory Memorandum (Section C).

2. Voting exclusion statement

2.1 Resolution 1

In accordance with the notice requirements of ASX Listing Rule 7.3.8 for approval under ASX Listing Rule 7.1 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 1 by:

- (a) First State;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed; and
- (c) any Associate of First State.

However, the entity will not disregard a vote if:

- (d) 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

- (e) 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.

2.2 Resolution 2

In accordance the notice requirements of ASX Listing Rule 7.5.6 for approval under ASX Listing Rule 7.4, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 2 by

- (a) Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads; and
- (b) any Associate of Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads.

However, the Company will not disregard a vote if:

- (c) 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
- (d) 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.

2.3 Resolution 3

In accordance with the notice requirements of ASX Listing Rule 7.2 Exception 9(b) for approval under ASX Listing Rule 7.2 Exception 9, ASX Listing Rule 10.15A.6 for approval under ASX Listing Rule 10.14 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 3 by:

- (a) a Director (except one who is ineligible to participate in any Employee Share Option Plan in relation to the Company); and
- (b) any Associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

2.4 Resolution 4

In accordance with the notice requirements of ASX Listing Rule 10.13.6 for approval under ASX Listing Rule 10.11 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4 by Meyer Gutnick or his nominee and any of their Associates.

However, the entity will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

3. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5:00pm Sydney time on Thursday, 11 September 2014.

4. Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the General Meeting who is entitled to vote shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) who is entitled to vote shall have one vote for each Share held by him, her or it.

5. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of General Meeting;
- (c) a proxy may be a Shareholder of the Company;
- (d) a proxy need not be a Shareholder of the Company;
- (e) where a Shareholder appoints two proxies, the following rules apply:
 - (i) each proxy may exercise half of the Shareholder's voting rights if the appointment does not specify a proportion or number of the Shareholder's voting rights the proxy may exercise;

- (ii) on a show of hands, neither proxy may vote; and
- (iii) on a poll, each proxy may only exercise the voting rights the proxy represents;
- (f) a proxy has the authority to vote on the Shareholder's behalf as he or she thinks fit, on any motion to adjourn the General Meeting, or any other procedural motion, unless the Shareholder gives a direction to the contrary;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (h) to be valid, a proxy form must be signed by the Shareholder or the Shareholder's attorney or, if the Shareholder is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (i) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11:30am (Sydney time) on Saturday, 13 September 2014 :

by the Company:

- by mail: Queensland Bauxite Limited
67 Penkivil Street
BONDI NSW 2026
Australia

or - by 02 9291 9099 (within Australia)
facsimile: +61 2 9291 9099 (outside Australia)

By order of the Board:

Mr Sholom Feldman
Chief Executive Officer
Queensland Bauxite Limited

Dated: 15 August 2014

Section C Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for Shareholders to assess Resolutions 1-4 to be put to them at the General Meeting of the Company on Monday, 15 September 2014. A Notice of General Meeting accompanies this Explanatory Memorandum.

This Explanatory Memorandum, as well as the Notice of General Meeting, should be read carefully and in their entirety.

The Explanatory Memorandum and Proxy Form are part of this Notice of General Meeting.

2. Resolution 1 – Issue of Shares to First State

2.1 Background

As announced to the market on 11 July 2014, the Company has entered into an agreement with First State pursuant to which the Company has agreed to acquire the First State Interest from First State in consideration for the issue by the Company of 37.5 million Shares and 30 million Options to First State.

The First State Interest comprises a 50% interest in Exploration Licence 7301 in the Nullamana region of Inverell in northern New South Wales.

ASX Listing Rule 7.1 provides that a company must not issue equity securities, or agree to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12-month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue.

The Company is seeking the approval of Shareholders in accordance with Listing Rule 7.1 for the issue of 37.5 million Shares and 30 million Options to First State.

The effect of Resolution 1 will be to permit the Company to issue 37.5 million Shares and 30 million Options to First State.

2.2 ASX Listing Rule 7.1 approval

Pursuant to ASX Listing Rule 7.3, the following information is provided regarding ASX Listing Rule 7.1 approval:

- (a) **ASX Listing Rule 7.3.1:** *Maximum number of securities to be issued pursuant to Resolution 1*

37.5 million Shares and 30 million Options.

- (b) **ASX Listing Rules 7.3.2 and 7.3.7:** *Date by which securities will be issued and allotted*

If Shareholder approval is obtained, the issue and allotment of the Shares and Options to First State will occur on a date or dates which is or are no later than three months after the date of this General Meeting or such later time as deemed appropriate by an ASX waiver.

- (c) **ASX Listing Rule 7.3.3:** *Issue price of securities*

The issue price of the Shares will be calculated using a discount of no more than 20% of the volume weighted market price of Shares in the five trading days on which sales in the Shares were recorded prior to the date on which the Shares are issued to First State. The market price is the closing price of the Shares on each day.

The Options will be issued for nil consideration.

- (d) **ASX Listing Rule 7.3.4:** *Names of allottees*

First State Pty Ltd. First State is not a related party of the Company.

- (e) **ASX Listing Rule 7.3.5:** *Terms of securities*

Shares

The Company will apply to the ASX to have the Shares issued to First State Officially Quoted and these Shares will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the holders in respect of the Shares issued to First State will be identical to the rights and entitlements of the holders of existing issued Shares.

Options

The Options will be issued to First State for nil consideration and vest immediately on issue.

The Options are subject to the following salient terms and conditions:

- (i) the Options will be issued at no cost;
- (ii) each Option entitles First State to subscribe for one Share in the Company;
- (iii) the Options may be exercised in whole or in part by notice in writing being delivered to the Company at any time prior to or on the third anniversary of the issue date of the Options (**Expiry Date**);
- (iv) the exercise price of the Options is as follows:
 - (A) 10 million Options having an exercise price of \$0.08 for each Share subscribed for;
 - (B) 10 million Options having an exercise price of \$0.10 for each Share subscribed for;

- (C) 5 million Options having an exercise price of \$0.15 for each Share subscribed for; and
- (D) 5 million Options having an exercise price of \$0.20 for each Share subscribed for;
- (v) any Option not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits;
- (vi) a statement will be issued for the Options. A new holding statement will be issued when a change takes place in the number of Options held;
- (vii) First State will have the right to participate in new issues of capital which may be offered to Shareholders during the currency of the Options, provided the entitlement arises in accordance with ASX Listing Rule 6.20. Any change to the Option's exercise price or the number of underlying securities must be made in accordance with ASX Listing Rules 6.21 and 6.22;
- (viii) the rights of First State in respect of the Options will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- (ix) the Options are freely transferable;
- (x) Shares issued pursuant to the exercise of the Options will be allotted following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro rata with the existing issued Shares, as at the date of exercise of the Options. Subject to any ASX ruling regarding Restricted Securities, Shares so issued will rank pari passu with the then issued Shares of the Company; and
- (xi) the Options will not be listed on the ASX. The Company will make application for any Shares issued upon the exercise of any Option to be granted Official Quotation by the ASX.

(f) **ASX Listing Rule 7.3.6:** *Intended use of the funds*

No funds will be raised by the issue of Shares and Options to First State.

(g) **ASX Listing Rule 7.3.8:** *A voting exclusion statement*

A voting exclusion statement is included at paragraph 2.1 of the Notice of General Meeting (Section C).

3. Resolution 2 – Past issue of Shares

3.1 Background

On 9 June 2014, the Company issued 1 million Shares to each of Marion Lesaffre and Robert Coenraads, who are both employees of the Company, as part of a bonus to their respective salaries.

On 12 June 2014, the Company announced to the ASX that it had completed an issue of 6,746,301 Shares to Gleneagle Securities Nominees Pty Limited at a price of \$0.02 per Share.

The Company seeks Shareholder ratification of the issue of 8,746,301 Shares to Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads for the purposes of ASX Listing Rule 7.4.

3.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not issue equity securities, or agree to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12-month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue. ASX Listing Rule 7.4 allows for subsequent shareholder approval if the company did not breach ASX Listing Rule 7.1 at the time of issue and the holders of ordinary shares subsequently approve it.

Although Shareholder approval was not required for the issue of the Shares to Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads, the Company now seeks Shareholder approval for these issues in the manner provided by ASX Listing Rule 7.4, because this will enable the Company to issue, pursuant to ASX Listing Rule 7.1, further equity securities within the 15% limit from time to time as required by the Company, to capitalise on future opportunities without needing to obtain prior Shareholder approval.

3.3 Specific information required by ASX Listing Rule 7.5

Pursuant to ASX Listing Rule 7.5, the following information is provided regarding ASX Listing Rule 7.4 approval:

(a) **ASX Listing Rule 7.5.1:** *Number of securities allotted*

8,746,301 Shares.

(b) **ASX Listing Rule 7.5.2:** *Price at which the securities were issued*

\$0.02 per Share.

(c) **ASX Listing Rule 7.5.3:** *Terms of the securities*

These Shares rank equally with all the other Shares on issue.

ASX Listing Rule 7.5.4: *Names of the allottees or the basis on which allottees were determined*

No.	Date of Issue	Number of Shares	Issue Price Per Share \$	Total Amount Paid \$	Name of Allottee	Purpose of Issue
1	9 June 2014	1,000,000	0.02	0	Marion Lesaffre	Bonus as part of remuneration to employee
2	9 June 2014	1,000,000	0.02	0	Robert Coenraads	Bonus as part of remuneration to employee
3	12 June 2014	6,746,301	0.02	0	Gleneagle Securities Nominees Pty Limited	To pay the outstanding interest under the convertible note approved by Shareholders on 12 November 2013
Total		8,746,301		0		

(d) **ASX Listing Rule 7.5.5:** *The use (or intended use) of the funds raised*

No funds were raised by the issue of Shares to Gleneagle Securities Nominees Pty Limited, Marion Lesaffre and Robert Coenraads.

(e) **ASX Listing Rule 7.5.6:** *Voting exclusion statement*

A voting exclusion statement is included in the Notice of General Meeting.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

The Directors recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3 - Approval of Employee Share Option Plan

4.1 Background

The Company is seeking Shareholder approval under Exception 9 to ASX Listing Rule 7.2 and ASX Listing Rule 10.14 to issue Shares and Options under the Employee Share Option Plan to employees (including executive Directors) for a period of three years from the date of the General Meeting.

The Employee Share Option Plan provides for the grant of Shares and Options to eligible employees of the Company. The purpose of the Employee Share Option Plan is to enable the Company to appropriately attract, remunerate and incentivise employees.

In order to continue rapid growth both by acquisition and organically, and consolidate this growth into sustainable long term earnings, the Board believes it is imperative to have in place appropriate employee remuneration schemes. The Board considers that the Employee Share Option Plan will contribute to the long-term financial performance of the Company by rewarding eligible employees for their performance and providing an incentive for retention of employees.

4.2 ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not issue equity securities, or agree to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12-month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue, subject to certain adjustments and permitted exceptions. In calculating the 15% limit, the Company is entitled to deduct any ordinary securities issued in the 12 month period that were issued with the approval of Shareholders for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.2 provides several circumstances where particular issues of securities are excluded from the calculation of the 15% limit under ASX Listing Rule 7.1, including issues under an employee incentive scheme if within three years before the date of issue, Shareholders approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1. The Employee Share Option Plan is an employee incentive scheme for the purposes of ASX Listing Rule 7.2.

ASX Listing Rule 10.14 provides that a company must not permit any director, or an associate of a director, to acquire shares under an employee incentive scheme without first obtaining shareholder approval.

4.3 ASX Listing Rule 7.2 Exception 9 disclosure

Pursuant to ASX Listing Rule 7.2 Exception 9, the following information is provided:

(a) Summary of the terms of the Employee Share Option Plan

The key terms of the Employee Share Option Plan are as follows:

- (i) **Board discretion** – the Board may in its discretion, offer options (**Options**) to acquire (by issue) Shares or beneficial interests in Shares (**Performance Shares**);
- (ii) **Terms of grant** – a grant of Options or Performance Shares under the Employee Share Option Plan is subject both to the rules of the Employee Share Option Plan and the terms of the specific grant;
- (iii) **Eligibility to participate** – the Board has the discretion to determine which full-time or part-time employees of the Company are eligible to participate in the Employee Share Option Plan;
- (iv) **Performance hurdles and other vesting conditions** – subject to the terms of the Employee Share Option Plan, the vesting and, as applicable, exercise of Options or Performance Shares is conditional on the achievement of performance hurdles, and the satisfaction of any

other vesting conditions, set out in the terms and conditions of the specific grant. The performance hurdles under the Employee Share Option Plan will be set from time to time by the Board, and as applicable, disclosed each year in the Company's Annual Report;

- (v) **Early exercise, withdrawal and payment** – early exercise of Options and early withdrawal of Performance Shares may be permitted at the discretion of the Board, if the relevant holder ceases employment with the Company in circumstances such as death, retirement, ceasing employment because of illness, incapacity or redundancy or where otherwise permitted by the Board. Such early exercise, withdrawal or payment, however, is subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at the time of cessation and is pro-rated for the time served. Early exercise, withdrawal or payment (as applicable) may also be permitted on a takeover, scheme of arrangement, or winding-up of the Company, subject to the Board or its delegate's approval. Early exercise, withdrawal or payment (as applicable) of Options or Performance Shares of persons whose employment is terminated for cause may only occur if permitted at the discretion of the Board or its delegate (and again subject to the satisfaction of the applicable performance hurdles and any other vesting conditions at that time);
- (vi) **Delivery of Shares** – in the case of Performance Shares, the Board can decide whether to purchase Shares on-market or to issue new Shares to satisfy those incentives. The exercise of Options will involve the issue of new Shares by the Company;
- (vii) **Lapse and forfeiture** – an Option will lapse if it is not exercised within the exercise period determined by the Board on grant. However, in the case of death or cessation of employment of the relevant Employee Share Option Plan participant, the lapse date may be brought forward. Similarly, a Performance Share may be forfeited earlier in those circumstances. Subject to the Board determining an earlier lapse or forfeiture date (as applicable), an Option and a Performance Share is forfeited, at the latest of:
 - (A) the expiry of 12 months after the relevant Employee Share Option Plan participant's death, if death occurs before the relevant incentive lapses or is forfeited in accordance with the below;
 - (B) the expiry of three months after the relevant Employee Share Option Plan participant ceases to be employed by the Company for any other reason; and
 - (C) if the Board extends the time during which the Option may be exercised or the Performance Share may be withdrawn, the expiry of that time. Lapse or forfeiture may also occur in other circumstances, including where there is dishonesty, fraud or breach of duty by a Employee Share Option Plan participant; and

(viii) **Restrictions on transfer** – an Option granted to a Employee Share Option Plan participant is only exerciseable by the participant or their legal personal representative. Options and, while they are subject to the Employee Share Option Plan, Performance Shares, are not transferable, except with express approval of the Board or its delegate or by force of law on death or legal incapacity.

(b) Number of securities issued under the scheme since the date of last approval

The Company has not issued any Shares or Options under the Employee Share Option Plan.

(c) Voting exclusion statement

A voting exclusion statement is included at paragraph 2.3 of the Notice of General Meeting (Section C).

4.4 **ASX Listing Rule 10.15A disclosure**

Pursuant to ASX Listing Rule 10.15A, the following information is provided regarding ASX Listing Rule 10.14 approval:

(a) **ASX Listing Rule 10.15A.1:** *If the person is not a director, details of the relationship between the person and the director*

Sholom Feldman and Pnina Feldman, who are both currently executive Directors of the Company.

(b) **ASX Listing Rule 10.15A.2:** *Maximum number of securities to be issued to the person and formula for calculating number of securities to be issued*

The number of shares to be issued under the Employee Share Option Plan will be determined by the Board. The total number of shares which may be granted under the Employee Share Option Plan shall not exceed 5% of the issued ordinary shares of the Company on the day preceding the relevant date of award. Refer to the summary of the terms of the Employee Share Option Plan above.

(c) **ASX Listing Rule 10.15A.3:** *Price of the securities, including the formula for calculating price*

The shares are issued for nil consideration to participants under the Employee Share Option Plan.

(d) **ASX Listing Rule 10.15A.4:** *Names of all persons who received securities under the scheme since the last approval, the number of securities received and price of each security*

The Company has not issued any Shares or Options under the Employee Share Option Plan.

- (e) **ASX Listing Rule 10.15A.5:** *Names of all eligible executive Directors entitled to participate in the scheme*

Sholom Feldman and Pnina Feldman.

- (f) **ASX Listing Rule 10.15A.6:** *A voting exclusion statement*

A voting exclusion statement is included at paragraph 2.3 of the Notice of General Meeting (Section C).

- (g) **ASX Listing Rule 10.15A.7:** *Terms of any loan in relation to the acquisition of securities*

Not applicable.

- (h) **ASX Listing Rule 10.15A.8:** *Statement*

Details of any shares issued under the Employee Share Option Plan will be published in each annual report of the Company relating to a period in which Shares have been issued, and that approval for the issue of the Shares was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the Employee Share Option Plan after this resolution is approved and who were not named in this notice will not participate until approval is obtained under ASX Listing Rule 10.14.

- (i) **ASX Listing Rule 10.15A.9:** *Date by which securities will be issued*

If Shareholders approve this resolution, the issue and allotment of the Shares to Sholom Feldman and Pnina Feldman, will occur no later than three years after the date of this General Meeting.

5. Resolution 4 – Issue of Shares to Meyer Gutnick or his nominee

5.1 Background

The Company is seeking the approval of Shareholders for the issue of 5 million Shares to Meyer Gutnick or his nominee as a sign-on fee. The Shares have an issue price of \$0.02. Meyer Gutnick was appointed as a Director of the Company on 6 March 2014.

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that an entity must not issue or agree to issue equity securities to a related party or a person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained, without the approval of holders of ordinary securities.

Accordingly, the Company is seeking the approval of Shareholders pursuant to ASX Listing Rule 10.11 for the issue of 5 million Shares to Meyer Gutnick or his nominee.

5.3 **ASX Listing Rule 10.13 disclosure**

Pursuant to ASX Listing Rule 10.13, the following information is provided regarding ASX Listing Rule 10.11 approval:

(a) **ASX Listing Rule 10.13.1:** *Name of person*

Meyer Gutnick or his nominee.

(b) **ASX Listing Rule 10.13.2:** *Maximum number of securities to be issued to the person*

5 million Shares.

(c) **ASX Listing Rule 10.13.3:** *Date by which the securities are to be issued*

If Shareholders approve Resolution 4, the issue and allotment of the Shares to Meyer Gutnick or his nominee will occur on a date which is two Business Days after the date of the General Meeting, but in any case no later than one month after the date of this General Meeting or such later time as deemed appropriate by an ASX waiver.

(d) **ASX Listing Rule 10.13.4:** *Nature of relationship*

Meyer Gutnick is a non-executive Director of the Company.

(e) **ASX Listing Rule 10.13.5:** *Issue price of the securities and a statement of terms of issue*

The Shares will be issued to Meyer Gutnick or his nominee as a sign-on fee. The issue price of the Shares is \$0.02.

The Company will apply to the ASX to have the Shares issued to Meyer Gutnick or his nominee Officially Quoted and these Shares will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of Meyer Gutnick or his nominee in respect of the Shares issued to him will be identical to the rights and entitlements of the holders of existing issued Shares.

(f) **ASX Listing Rule 10.13.6:** *A voting exclusion statement*

A voting exclusion statement is included at paragraph 2.4 of this Notice of General Meeting (Section B).

(g) **ASX Listing Rule 10.13.6A:** *Intended use of the funds*

No funds will be raised from the issue of Shares to Meyer Gutnick or his nominee.

Lodge your vote:



By Mail:

Queensland Bauxite Limited
67 Penkivil Street
BONDI NSW 2026
Australia

Alternatively you can fax your form to
(within Australia) 02 9291 9099
(outside Australia) +61 2 9291 9099

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 QBL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11:30am (Sydney time) Saturday, 13 September 2014

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 your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

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.



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 Queensland Bauxite 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 General Meeting of Queensland Bauxite Limited to be held at Level 16, 1 Market Street, Sydney, New South Wales on Monday, 15 September 2014 at 11:30am (Sydney time) 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 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 4 by marking the appropriate box 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
Resolution 1 Issue of Shares to First State	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Past issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approve Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Shares to Meyer Gutnick or his nominee	<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 / /

Q B L

1 5 0 9 1 4 A

Computershare +