



**ALTURA MINING LIMITED**  
**ABN 39 093 391 774**

**Notice of  
Annual General Meeting,  
Explanatory Memorandum  
and Proxy Form**

**TIME:** 3.30pm AEST

**DATE:** Thursday, 27 November 2014

**PLACE:** The Springlake Hotel Function Centre  
1/1 Springfield Lakes Boulevard  
SPRINGFIELD LAKES QLD 4300

**This Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.**

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on + 61 8 9488 5110.**

## **Altura Mining Limited**

ABN 39 093 391 774

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Altura Mining Limited ("**Company**") will be held at The Springlake Hotel Function Centre, 1/1 Springfield Lakes Boulevard, Springfield Lakes, Queensland on Thursday, 27 November 2014 commencing at 3.30 pm AEST.

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

Terms and abbreviations used in this Notice of Meeting, Explanatory Memorandum and Proxy Form are defined in the Glossary.

### **AGENDA**

#### **Reports and Accounts**

To receive the consolidated annual financial report of the Company for the year ended 30 June 2014, together with the Directors' report and the Auditor's report.

Note: there is no requirement for Shareholders to approve these reports.

#### **Resolution 1 – Adoption of Remuneration Report (Non-binding resolution)**

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

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Directors' report in the Annual Report for the year ended 30 June 2014".*

**Short Explanation:** The Corporations Act provides that a resolution for the Remuneration Report to be adopted must be put to vote at a listed company's annual general meeting. The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** Pursuant to section 250R(4) of the Corporations Act, the Company is required to disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of either a member of key management personnel of the Company ("**KMP**"), details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member (together "**prohibited persons**").

However, the Company will not disregard a vote if the vote is not cast on behalf of a prohibited person and either:

- a) the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; or
- b) the prohibited person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the KMP.

If you are a KMP or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include Directors and certain senior executives.

### **Resolution 2 – Re-election of Mr Paul Mantell as a Director**

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

*"That in accordance with clause 13.2 of the Constitution and Listing Rule 14.4, Mr Paul Mantell retires and being eligible for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to clause 13.2 of the Company's Constitution, a Director must not hold office without re-election for more than 3 years. A Director who retires in accordance with clause 13.2 of the Constitution is eligible for re-election. Pursuant to Listing Rule 14.5 there must be an election of Directors each year.

### **Resolution 3 – Approval of Additional 10% Placement Facility**

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

*"That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

**Short Explanation:** Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting ("**Additional 10% Placement Facility**"). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. Resolution 3 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out in the Explanatory Memorandum. **The Company currently has no plans to use the Additional 10% Placement Facility, but is seeking Shareholder approval to give it the necessary flexibility with capital raisings to act quickly should business opportunities arise.**

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard any votes cast on Resolution 3 by such person if:

- a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) the person is the Chairman of the Meeting acting 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.

**Important note:** The proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the

basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

#### **Resolution 4 – Removal of Company 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 329 of the Corporations Act and for all other purposes, approval is given for the removal of Crowe Horwath Perth as the Company's current auditor with effect from the date of the Meeting."*

**Short Explanation:** The Corporations Act provides that Shareholder approval is required in order to remove the Company's auditor.

#### **Resolution 5 – Appointment of Company Auditor**

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

*"That, subject to the passing of Resolution 4, pursuant to section 327D of the Corporations Act and for all other purposes, approval is given for the appointment of PKF Hacketts as the Company's auditor, with effect from the date of the Meeting."*

**Short Explanation:** The Corporations Act provides that Shareholder approval is required in order to appoint a new Company auditor.

#### **Resolution 6 – Issue of Shares and Performance Rights to a Related Party – Mr James Brown**

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 Rules 10.11 and 10.14 of the Listing Rules, sections 208, 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 3,000,000 Shares and 3,000,000 Performance Rights to Mr James Brown (or his nominee)."*

**Voting exclusion statement:** For the purposes of Listing Rules 10.13 and 10.15 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Mr James Brown and any associate of Mr James Brown. The Company will also disregard any votes cast on Resolution 6 by any person who is to receive securities in relation to the Company, any director of the Company (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any persons associated with those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr James Brown and any associate of Mr James Brown; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on Resolution 6 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 6. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the Proxy Form specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of a person who

is otherwise excluded from voting on this Resolution, and if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the KMP for the Company.

### **Resolution 7 – Issue of Shares and Performance Rights to a Related Party – Mr Paul Mantell**

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 Rules 10.11 and 10.14 of the Listing Rules, sections 208, 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 1,500,000 Shares and 1,500,000 Performance Rights to Mr Paul Mantell (or his nominee)."*

**Voting exclusion statement:** For the purposes of Listing Rules 10.13 and 10.15 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 7 by Mr Paul Mantell and any associate of Mr Paul Mantell. The Company will also disregard any votes cast on Resolution 7 by any person who is to receive securities in relation to the Company, any director of the Company (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any persons associated with those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr Paul Mantell and any associate of Mr Paul Mantell; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on Resolution 7 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 7. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the Proxy Form specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the KMP for the Company.

### **Resolution 8 – Issue of Shares and Performance Rights to a Related Party – Mr Beng Teik Kuan**

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 Rules 10.11 and 10.14 of the Listing Rules, sections 208, 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 300,000 Shares and 300,000 Performance Rights to Mr Beng Teik Kuan (or his nominee)."*

**Voting exclusion statement:** For the purposes of Listing Rules 10.13 and 10.15 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 8 by Mr Beng Teik Kuan and any associate of Mr Beng Teik Kuan. The Company will also disregard any votes cast on Resolution 8 by any person who is to receive securities in relation to the Company, any director of the Company (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any persons associated with those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr Beng Teik Kuan and any associate of Mr Beng Teik Kuan; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on Resolution 8 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 8. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the Proxy Form specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the KMP for the Company.

### **Resolution 9 – Issue of Shares and Performance Rights to a Related Party – Mr Dan O’Neill**

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 Rules 10.11 and 10.14 of the Listing Rules, sections 208, 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 300,000 Shares and 300,000 Performance Rights to Mr Dan O’Neill (or his nominee)."*

**Voting exclusion statement:** For the purposes of Listing Rules 10.13 and 10.15 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 9 by Mr Dan O’Neill and any associate of Mr Dan O’Neill. The Company will also disregard any votes cast on Resolution 9 by any person who is to receive securities in relation to the Company, any director of the Company (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any persons associated with those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr Dan O’Neill and any associate of Mr Dan O’Neill; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on Resolution 9 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 9. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the Proxy Form specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the KMP for the Company.

### **Resolution 10 – Issue of Shares and Performance Rights to a Related Party – Mr Allan Buckler**

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 Rules 10.11 and 10.14 of the Listing Rules, sections 208, 200B and 200E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 300,000 Shares and 300,000 Performance Rights to Mr Allan Buckler (or his nominee)."*

**Voting exclusion statement:** For the purposes of Listing Rules 10.13 and 10.15 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 10 by Mr Allan Buckler and any associate of Mr Allan Buckler. The Company will also disregard any votes cast on Resolution 10 by any person who is to receive securities in relation to the Company, any director of the Company (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any persons associated with those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, and it is not cast on behalf of Mr Allan Buckler and any associate of Mr Allan Buckler; or
- (b) it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

A vote must not be cast on Resolution 10 by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution 10. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the Proxy Form specifies how the proxy is to vote on the Resolution and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the KMP for the Company.

By order of the Board



**DAMON COX**  
**Company Secretary**  
14 October 2014

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## **NOTES**

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### **RIGHT TO VOTE**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders as at 5.00pm AEST on Tuesday, 25 November 2014.

### **VOTING IN PERSON**

To vote in person, please attend the Annual General Meeting on the date and at the place set out in this Notice of Meeting.

### **VOTING BY A CORPORATION**

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

### **VOTING BY PROXY**

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- (a) lodge the Proxy Form in person at Altura Mining Limited, Building 8, 22 Magnolia Drive, Brookwater QLD 4300; or
- (b) send the Proxy Form by post to Altura Mining Limited, PO Box 4088, Springfield QLD 4300; or
- (c) send the Proxy Form by email to cosec@alturamining.com; or
- (d) send the Proxy Form by facsimile to the Company on facsimile number + 61 7 3814 6911,

so that it is received not later than 3.30pm AEST Tuesday, 25 November 2014.

**Proxy forms received later than this time will be invalid.**



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## **EXPLANATORY MEMORANDUM**

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This Explanatory Memorandum has been prepared for the information of Shareholders of Altura Mining Limited ("**Company**") in connection with the business to be conducted at the Annual General Meeting to be held at The Springlake Hotel Function Centre, 1/1 Springfield Lakes Boulevard, Springfield Lakes, Queensland on Thursday, 27 November 2014 commencing at 3.30pm AEST.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

### **REPORTS AND ACCOUNTS**

The first item of the Notice of Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2014 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. The 2014 Annual Report can be accessed on-line at <http://alturamining.com/> from 31 October 2014. Alternatively, a hard copy will be made available on request.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman of the Meeting will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to Crowe Horwath Perth if the question is relevant to the content of the audit report or the conduct of its audit of Altura's financial report for the year ended 30 June 2014.

Relevant written questions for Crowe Horwath Perth must be received no later than 5.00pm (AEST) on Thursday, 20 November 2014. A list of those relevant questions will be made available to Shareholders attending the Meeting. Crowe Horwath Perth will either answer questions at the Meeting or table written answers to them at the Meeting. If written answers are to be tabled at the meeting, they will be announced on ASX no later than the start of the Meeting.

Please send any written questions for Crowe Horwath Perth:

- (a) by post to Altura Mining Limited, PO Box 4088, Springfield QLD 4300; or
- (b) by facsimile to the Company on facsimile number + 61 7 3814 6911.

### **RESOLUTION 1 –ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)**

In accordance with Section 250R(2) of the Corporations Act, a resolution that the Remuneration Report as set out in the Directors' report in the Company's 2014 Annual Report be adopted must be put to the

vote at the Annual General Meeting by the Company. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors and senior executives, sets out remuneration details for each Director and senior executive and details of any share based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

The Remuneration Report can be found within the Director's report in the Company's 2014 Annual Report. The Annual Report will be available on the Company's website at <http://alturamining.com/> from 31 October 2014.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## **RESOLUTION 2 – RE-ELECTION OF MR PAUL MANTELL AS A DIRECTOR**

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors (except the Managing Director or any alternate Director) or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office. Clause 13.2 also provides that a retiring Director is eligible for re-election.

Listing Rule 14.4 prevents a Director from holding office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer. In addition, Listing Rule 14.5 provides that a company that has directors must hold an election of directors each year.

Pursuant to Clause 13.2 of the Company's Constitution, Mr Mantell, being a Director, retires by way of expiry of a 3 year term of office and, being eligible, offers himself for re-election as a Director.

Details regarding Mr Mantell are set out in the 2014 Annual Report.

The Directors (excluding Mr Mantell) recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **Listing Rule 7.1A**

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting ("**Additional 10% Placement Facility**"). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 3 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 3 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to this Notice of Annual General Meeting below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

## **Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

### Minimum Issue Price

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, namely Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the Equity Securities are issued; or
- (b) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

### Dilution

As at the date of this Notice of Annual General Meeting, the Company has 454,272,181 Shares on issue. If Shareholders approve Resolution 3, the Company will have the capacity to issue approximately 45,427,218 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

### **(A x D) – E**

- A is the number of fully paid shares on issue 12 months before the date of issue or agreement:
- i. plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - ii. plus the number of partly paid shares that became fully paid in the 12 months;
  - iii. plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
  - iv. less the number of fully paid shares cancelled in the 12 months.

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

- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The below table also shows:

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

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0550 50% decrease in Issue Price	\$0.1100 Issue Price	\$0.1650 50% increase in Issue Price
<b>Current Variable A</b> 454,272,181 Shares	Shares issued	45,427,218 New Shares	45,427,218 New Shares	45,427,218 New Shares
	Funds raised	\$2,498,497	\$4,996,994	\$7,495,491
<b>50% increase in current Variable A</b> 681,408,271 Shares	Shares issued	68,140,827 New Shares	68,140,827 New Shares	68,140,827 New Shares
	Funds raised	\$3,747,745	\$7,495,491	\$11,243,236
<b>100% increase in current Variable A</b> 908,544,362 Shares	Shares issued	90,854,436 New Shares	90,854,436 New Shares	90,854,436 New Shares

	Funds raised	\$4,996,994	\$9,993,988	\$14,990,982
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**The table has been prepared on the following assumptions:**

1. Variable A is 454,272,181 being the number of ordinary securities on issue as at the date of this Notice of Meeting.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options are exercised into Shares before the date of the issue of the Equity Securities.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
6. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
7. The issue price is 11.0 cents, being the closing price of the Shares on ASX on 13 October 2014.

Issue Period

If Shareholders approve Resolution 3, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (a) the date that is 12 months after the date of the Annual General Meeting; and
- (b) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the "**Additional 10% Placement Period**").

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

Purpose of Issues

The Company may seek to issue the Equity Securities for the following purposes:

- (a) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (b) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

## Allocation Policy

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

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

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

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

## Previous issues of Equity Securities made in the 12 months preceding the Meeting

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2013 Annual General Meeting held on 19 November 2013. However, the Company has not issued any Equity Securities in the period since the 2013 Annual General Meeting.

## Voting exclusion statement

A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting preceding this Explanatory Memorandum.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

## **Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 3.

## **RESOLUTIONS 4 & 5 – CHANGE OF COMPANY AUDITOR**

### **Background**

Crowe Horwath Perth (and its predecessor Grant Thornton) has been the Company's auditor since the 2005 annual general meeting. The Directors are of the view that this is a sufficient period of time to retain an auditor, and consider that a change in the provider of external audit services is appropriate.

Further, the Company relocated its head office from Perth to Brisbane in 2009, and whilst the audit has continued to be conducted by Crowe Horwath Perth, it has become increasingly clear that the Company's auditor needs to be located in Brisbane.

The approval of both Resolutions 4 and 5 is necessary for the change of auditor to be made.

### **Removal of Auditor**

Under section 329 of the Corporations Act, an auditor of a company may be removed from office by resolution at a general meeting of which 2 months' notice of intention to move the resolution has been given.

It should be noted that under this section, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than 2 months after the notice of intention is given.

On 29 September 2014, the Company received a notice of intention made pursuant to section 329(1A) of the Corporations Act in respect of removing Crowe Horwath Perth as the Company's auditor and a request that a general meeting of the Company be held to move a resolution to that effect.

Accordingly, Resolution 4 is an ordinary resolution seeking the removal of Crowe Horwath Perth as the auditor of the Company.

In accordance with section 329(2) Corporations Act, the Company has sent a copy of the notice to Crowe Horwath Perth and the ASIC.

### **Appointment of auditor**

Under section 327D of the Corporations Act, the Company in a general meeting may appoint an auditor to replace an auditor removed under section 329 of the Corporations Act.

Resolution 5 is a special resolution seeking the appointment of PKF Hacketts as the new auditor of the Company. As required by the Corporations Act, a nomination for PKF Hacketts to be appointed as the auditor of the Company has been received from a member. As required by section 328B(3) of the Corporations Act, a copy of the form for the nomination of PKF Hacketts as the Company's auditors is attached as Annexure A.

PKF Hacketts has given its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act, subject to Shareholder approval of this Resolution.

Please note that Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

If Resolutions 4 and 5 are passed, the appointment of PKF Hacketts as the Company's auditor will take effect at the close of this Meeting. Resolution 5 is subject to the passing of Resolution 4.

### **Board recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 4 and 5.

**RESOLUTIONS 6, 7, 8, 9 & 10 – ISSUE OF SHARES AND PERFORMANCE RIGHTS TO RELATED PARTIES – MR JAMES BROWN, MR PAUL MANTELL, MR BENG TEIK KUAN, MR DAN O’NEILL & MR ALLAN BUCKLER**

Shareholders are being asked to approve Resolutions 6 to 10 to allow the Company to allot and issue Shares and Performance Rights to the Directors as set out below.

The Board has determined that at this stage of the Company’s development, it is far better for Directors of the Company to be compensated by way of securities in the Company, rather than only be way of cash. In addition, the Board has determined that the grant of Performance Rights is an appropriate form of long term incentive for the Company’s KMP. The Board considers that the Directors are essential to the operation of the Company’s ongoing business.

As a result, the Directors considered that it was desirable to establish an employee equity incentive plan pursuant to which employees may be offered the opportunity to be granted Performance Rights and / or Options. Accordingly, the Directors adopted the Plan, the key terms of which are set out in Annexure B.

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Directors, senior executives, contractors, consultants or employees of the Company (“**Eligible Employee**”);
- (b) align the interests of Eligible Employees more closely with the interests of Shareholders by providing an opportunity for Eligible Employees to receive an equity interest in the form of Performance Rights and/ or Options; and
- (c) provide Eligible Employees with the opportunity to share in any future growth in value of the Company.

The Company is proposing, subject to obtaining Shareholder approval, to allot and issue the following Equity Securities to the Directors (or their respective nominees):

Resolution	Name	Number of Equity Securities	Vesting conditions
6	Mr James Brown – Managing Director	3,000,000 Shares	None
		3,000,000 Performance Rights	<ul style="list-style-type: none"> <li>• 1,000,000 Performance Rights to vest on 30 November 2015 (<b>First Condition</b>).</li> <li>• 1,000,000 Performance Rights to vest on 30 November 2016. (<b>Second Condition</b>).</li> <li>• 1,000,000 Performance Rights to vest on 30 November 2017. (<b>Third Condition</b>).</li> </ul>
7	Mr Paul Mantell – Non-Executive Director	1,500,000 Shares	None
		1,500,000 Performance Rights	<ul style="list-style-type: none"> <li>• 500,000 Performance Rights to vest on satisfaction of the First Condition.</li> <li>• 500,000 Performance Rights to vest on satisfaction of the Second Condition.</li> <li>• 500,000 Performance Rights to vest on satisfaction of the Third Condition.</li> </ul>
8	Mr Beng Teik Kuan – Non-Executive Director	300,000 Shares	None
		300,000 Performance Rights	<ul style="list-style-type: none"> <li>• 100,000 Performance Rights to vest on satisfaction of the First Condition.</li> <li>• 100,000 Performance Rights to vest on satisfaction of the Second Condition.</li> <li>• 100,000 Performance Rights to vest on satisfaction of the Third Condition.</li> </ul>
9	Mr Dan O’Neill – Non-Executive Director	300,000 Shares	None
		300,000 Performance Rights	<ul style="list-style-type: none"> <li>• 100,000 Performance Rights to vest on satisfaction of the First Condition.</li> <li>• 100,000 Performance Rights to vest on satisfaction of the Second</li> </ul>



Resolution	Name	Number of Equity Securities	Vesting conditions
			Condition. <ul style="list-style-type: none"> <li>100,000 Performance Rights to vest on satisfaction of the Third Condition.</li> </ul>
10	Mr Allan Buckler – Non-Executive Director	300,000 Shares	None
		300,000 Performance Rights	<ul style="list-style-type: none"> <li>100,000 Performance Rights to vest on satisfaction of the First Condition.</li> <li>100,000 Performance Rights to vest on satisfaction of the Second Condition.</li> <li>100,000 Performance Rights to vest on satisfaction of the Third Condition.</li> </ul>

The above Performance Rights will vest if and when the vesting conditions attaching to the Performance Rights (as described in the table above) have been satisfied, waived by the Board or are deemed to have been satisfied under the rules of the Plan and will be exercised automatically. Each vested Performance Right entitles the participant to receive one Share.

In determining the Directors' remuneration packages, including this proposed issue of Shares and Performance Rights, the Board considered the scope of the Directors' roles, the business challenges facing the Company and market practice for the remuneration of executive officers in positions of similar responsibility. Accordingly, they determine this proposed issue of Shares and grant of Performance Rights is appropriate.

The Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

### Listing Rules

Under Resolutions 6 to 10, the Company seeks approval from Shareholders for the issue of Shares and Performance Rights to the Directors, who by virtue of their position as Directors of the Company are related parties of the Company.

Listing Rule 10.11 provides a general restriction against issuing securities to directors without shareholder approval. Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company. As the Directors are each a related party of the Company, Shareholder approval under the Listing Rules is required.

Listing Rule 10.14 provides that a company must not issue Equity Securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of ordinary securities. If approval is given by shareholders under Listing Rule 10.14, separate shareholder approval is not required under Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares and Performance Rights to the Directors as approval is being obtained under Listing Rules 10.11 and 10.14, respectively. Shareholders should note that the issue of Shares and Performance Rights to the Directors with Shareholder approval under Resolutions 6 to 10 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

### Listing Rule 10.11

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 10:

- (a) the Shares will be issued to the Directors as noted above, or their respective nominee;
- (b) the maximum number of Shares to be issued by the Company pursuant to Resolutions 6 to 10 is 5,400,000;
- (c) the Shares will be issued for no consideration;

- (d) the Shares will be allotted and issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) no funds will be raised from the issue of the Shares; and
- (f) the Shares will rank equally with all other Shares on issue.

#### **Listing Rule 10.14**

In compliance with the information requirements of Listing Rule 10.15A, Shareholders are advised of the following information:

- (a) the maximum number of Performance Rights to be issued by the Company pursuant to Resolutions 6 to 10 is 5,400,000 Performance Rights. If all Performance Rights vest, the maximum number of Shares to be issued upon their exercise pursuant to Resolutions 6 to 10 is 5,400,000 Shares;
- (b) the Performance Rights and the resulting Shares upon exercise will be issued for no consideration;
- (c) there have been no previous issues of securities under the Plan;
- (d) under the Plan, Performance Rights may be issued to Messrs James Brown, Paul Mantell, Beng Teik Kuan, Dan O'Neill and Allan Buckler (and/or their respective nominees). These recipients are the only people referred to in Listing Rule 10.14 currently eligible to participate in the Plan. Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the Plan will not do so until Shareholder approval required under the Listing Rules is obtained;
- (e) details of any Shares issued under the Plan will be published in each annual report relating to a period in which Shares have been issued under the Plan, with a statement that approval for the issue of the Shares was obtained under Listing Rule 10.14;
- (f) the Company will issue the Shares within 3 years after the date of the Annual General Meeting;
- (g) no loans have or will be made by the Company in connection with the relevant Performance Rights; and
- (h) a voting exclusion statement for Resolutions 6 to 10 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

#### **Section 208 of the Corporations Act**

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

For the purposes of Chapter 2E, each of the Directors is considered to be a related party of the Company.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

Resolutions 6 to 10 provide for the issue of Shares and Performance Rights to Directors of the Company, which is a financial benefit for the purposes of Chapter 2E of the Corporations Act, and, therefore, requires prior Shareholder approval.

#### **Sections 217 to 227 of the Corporations Act**

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefits to be given to Directors of the Company:

**(a) Identity of the related parties to whom Resolutions 6 to 10 permits financial benefits to be given**

The Shares and Performance Rights the subject of Resolutions 6 to 10 are proposed to be issued to Directors James Brown, Paul Mantell, Beng Teik Kuan, Dan O’Neill and Allan Buckler (and/or their respective nominees), who by virtue of their current directorships, are considered related parties of the Company.

**(b) Nature of the financial benefit**

The nature of the financial benefit proposed to be given is the issue of Shares and Performance Rights in the Company for no consideration.

The Performance Rights will be issued under the Plan, the key terms of the Plan are set out in Annexure B.

The Shares to be issued pursuant to Resolutions 6 to 10 and the Shares to be issued upon vesting of the Performance Rights issued pursuant to the Plan will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company’s existing Shares and will rank equally in all respects with the Company’s existing Shares. The Company will apply for official quotation of the Shares on the ASX.

The purpose of the issue is to give each of the Directors an incentive to provide dedicated and ongoing commitment to the Company. The Directors consider the issue of the Shares is appropriate having regard to the skills, ability and contribution of the Directors (both now and in the future) to the Company.

**(c) Valuation of financial benefits**

*Shares*

The valuation of the Shares to be issued under Resolutions 6 to 10, based on the last trading price for the Shares as at the date of this Notice of Meeting of \$0.1100 is \$594,000.

The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

	<b>Price</b>	<b>Date</b>
Highest closing price	\$0.225	26-28 February and 6-7 March 2014
Lowest closing price	\$0.100	15 October and 22 October 2013
Last closing price	\$0.110	13 October 2014

*Performance Rights*

The Company is proposing to issue a total of 5,400,000 Performance Rights under Resolutions 6 to 10. The fair value of the Performance Rights are as set out below:

- The fair value of each of the 1,800,000 Performance Rights subject to the First Condition is \$198,000.
- The fair value of each of the 1,800,000 Performance Rights subject to the Second Condition is \$198,000.
- The fair value of each of the 1,800,000 Performance Rights subject to the Third Condition is \$198,000.

Based on these fair values, the total value of the Performance Rights is \$594,000.

The Company has calculated these fair values using the Black Scholes option formula. Full details in respect of this valuation, including the valuation methodology is set out in Annexure C.

#### (d) Dilution

The issues of Shares, including the issues of Shares upon vesting of the Performance Rights, the subject of Resolutions 6 to 10, has the potential to dilute the percentage interest of existing Shareholders' holdings. Shareholders should note that the maximum number of Shares that may be issued under Resolutions 6 to 10 is 10,800,000 Shares in aggregate.

Assuming that all of the existing Options are exercised, the effect would be to dilute the shareholding of existing Shareholders by 3.6% based on the number of Shares on issue as at the date of the Notice of Meeting.

Assuming that none of the existing Options are exercised, the effect would be to dilute the shareholding of existing Shareholders by 2.3% based on the number of Shares on issue as at the date of the Notice of Meeting.

#### (e) Existing interests in the Company of related parties the subject of Resolutions 6 to 10

As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company representing 22.7% of the current issued capital of the Company on a fully diluted basis:

<b>Director</b>	<b>Ordinary Shares</b>	<b>Unlisted Options 30/9/15 \$0.20</b>	<b>Total securities</b>
James Brown	3,718,300	2,000,000	5,718,300
Paul Mantell	9,233,083	2,000,000	11,233,083
Beng Teik Kuan	1,882,968	1,000,000	2,882,968
Dan O'Neill	1,166,668	1,000,000	2,166,668
Allan Buckler	82,146,845	1,000,000	83,146,845
<b>Total</b>	<b>98,147,864</b>	<b>7,000,000</b>	<b>105,147,864</b>

If Shareholders approve Resolutions 6 to 10, the Directors will hold the following relevant interests in the securities in the Company representing 24.4% of the issued capital of the Company on a fully diluted basis:

<b>Director</b>	<b>Ordinary Shares</b>	<b>Performance Rights</b>	<b>Unlisted Options 30/9/15 \$0.20</b>	<b>Total securities</b>
James Brown	6,718,300	3,000,000	2,000,000	11,718,300
Paul Mantell	10,733,083	1,500,000	2,000,000	14,233,083
Beng Teik Kuan	2,182,968	300,000	1,000,000	3,482,968
Dan O'Neill	1,466,668	300,000	1,000,000	2,766,668
Allan Buckler	82,446,845	300,000	1,000,000	83,746,845
<b>Total</b>	<b>103,547,864</b>	<b>5,400,000</b>	<b>7,000,000</b>	<b>115,947,864</b>

If Shareholders approve Resolutions 6 to 10, the capital structure of the Company would be as follows with relevant interests in securities held by Directors representing 24.4% of the issued capital of the Company on a fully diluted basis:

	<b>Total</b>	<b>Held by Directors</b>	<b>% Held by Directors</b>
<b>Shares currently on issue</b>	454,272,181	98,147,864	21.6%
<b>Options currently on issue</b>			
Exercise price \$0.20 expiring 30/09/15	9,200,000	7,000,000	76.1%
<b>Total securities currently on issue</b>	463,472,181	105,147,864	22.7%
Proposed Shares under Resolutions 6 to 10	5,400,000	5,400,000	100.0%
Proposed Performance Rights under Resolutions 6 to 10	5,400,000	5,400,000	100.0%
<b>Total securities (fully diluted)</b>	474,272,181	115,947,864	24.4%

## (f) Remuneration of Directors

The Directors' current base salary or directors' fees per annum (including superannuation) and the total financial benefit to be received by them as a result of the issue of Performance Rights and Shares pursuant to Resolutions 6 to 10 are as follows:

<b>Director</b>	<b>Total salary/fees<sup>1</sup> \$ p.a.</b>	<b>Value of Shares \$ p.a.</b>	<b>Value of Performance Rights \$ p.a.<sup>3</sup></b>	<b>Total financial benefit \$ p.a.</b>
James Brown <sup>2</sup>	379,870	330,000	110,000	819,870
Paul Mantell	65,027	165,000	55,000	285,027
Beng Teik Kuan	65,550	33,000	11,000	109,550
Dan O'Neill	78,660	33,000	11,000	122,660
Allan Buckler	65,550	33,000	11,000	109,550
<b>Total</b>	654,657	594,000	198,000	1,446,657

### Notes

1- Inclusive of superannuation contributions.

2- As James Brown is paid in US\$, his salary has been converted to A\$ @ 0.8800 A\$:US\$.

3- The value of the Performance Rights has been calculated on a per annum basis over three years. The aggregate value of the Performance Rights is set out on page 19 and in Annexure C.

The Directors do not consider that there are any opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Performance Rights and Shares under Resolutions 6 to 10.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 6 to 10.

## Sections 200B and 200E of the Corporations Act

The Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate.

Under Sections 200B and 200E of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies.

Amendments to the Corporations Act in 2009 significantly expanded the scope of these provisions and lowered the threshold for termination benefits that do not require shareholder approval. The term

“benefit” has a wide meaning and may include benefits resulting from the Board exercising certain discretions under the rules of the Plan, including the discretion to determine the accelerated vesting or automatic vesting of Performance Rights in certain circumstances.

Under the Plan, a participant may become entitled to accelerated vesting or automatic vesting of Performance Rights if there is a change of control of the Company or if the Board exercises its discretion upon cessation of employment. Accordingly, Shareholder approval is sought for the Directors to be given any such benefit in connection with his retirement from office or employment with the Company if that occurs within 3 years of the date of this Meeting.

If Shareholder approval is given under Resolutions 6 to 10, the Company will still be required to comply with Listing Rules 10.18 and 10.19, which place restrictions on the circumstances in which termination benefits can be paid and a cap on the value of termination benefits that can be paid to officers of the Company.

The value of the benefit will depend on the number of Performance Rights that may vest and the market value of the Shares at the time of cessation of employment.

### **Board recommendation**

In respect of Resolution 6, all Directors recommend that shareholders vote in favour of Resolution 6, save for James Brown who has an interest in the outcome of Resolution 6 and declines to make a recommendation in respect of it.

In respect of Resolution 7, all Directors recommend that shareholders vote in favour of Resolution 7, save for Paul Mantell who has an interest in the outcome of Resolution 7 and declines to make a recommendation in respect of it.

In respect of Resolution 8, all Directors recommend that shareholders vote in favour of Resolution 8, save for Beng Teik Kuan who has an interest in the outcome of Resolution 8 and declines to make a recommendation in respect of it.

In respect of Resolution 9, all Directors recommend that shareholders vote in favour of Resolution 9, save for Dan O’Neill who has an interest in the outcome of Resolution 9 and declines to make a recommendation in respect of it.

In respect of Resolution 10, all Directors recommend that shareholders vote in favour of Resolution 10, save for Allan Buckler who has an interest in the outcome of Resolution 10 and declines to make a recommendation in respect of it.

## GLOSSARY OF TERMS

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

"**AEST**" ~ Australian Eastern Standard Time;

"**ASIC**" ~ Australian Securities & Investments Commission;

"**ASX**" ~ ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" ~ the board of Directors;

"**Company**" or "**Altura**" ~ Altura Mining Limited (ACN 093 391 774);

"**Constitution**" ~ the Company's constitution, as amended from time to time;

"**Corporations Act**" ~ Corporations Act 2001 (Cth);

"**Chairman**" ~ chairman of the Annual General Meeting.

"**Director**" ~ a director of the Company;

"**Equity Securities**" ~ has the meaning given to that term in the Listing Rules;

"**Explanatory Memorandum**" ~ the information attached to the Notice of Annual General Meeting which provides information to Shareholders about the resolutions contained in the Notice of Annual General Meeting;

"**KMP**" ~ key management personnel of the Company (as defined in Section 9 of the Corporations Act);

"**Listing Rules**" or "**Listing Rules**" ~ the Listing Rules of the ASX;

"**Meeting**" or "**Annual General Meeting**" ~ the annual general meeting the subject of this Notice of Meeting;

"**Notice of Meeting**" or "**Notice**" ~ the Notice of Annual General Meeting which accompanies the Explanatory Memorandum and Proxy Form;

"**Option**" ~ an option to acquire a Share;

"**Performance Rights**" ~ performance rights to be issued under the Plan;

"**Plan**" ~ the Altura Mining Limited Long Term Incentive Plan adopted by the Board, the key terms of which are set out in Annexure B;

"**Proxy Form**" ~ the proxy form enclosed with this Notice of Meeting;

"**Remuneration Report**" ~ the remuneration report contained in the Directors' statement in the Company's Annual Report for the financial year ended 30 June 2014;

"**Resolution**" ~ a resolution put to Shareholders of the Company at the Annual General Meeting;

"**Shares**" ~ ordinary fully paid shares in the Company;

**"Shareholder"** ~ holder of a Share in the Company;

**"A\$" or "\$"** ~ Australian dollars; and

**"US\$"** ~ United States of America dollars.

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**ANNEXURE A**

**NOMINATION OF AUDITOR**

8 October 2014

The Board of Directors  
Altura Mining Limited  
Building 8, 22 Magnolia Drive  
Brookwater QLD 4300

To the Board of Altura Mining Limited

**Nomination of Auditor**

I, Damon Andrew Cox, being a member of Altura Mining Limited (ABN: 39 093 391 774) (**Company**), wish to nominate, pursuant to section 328B of the *Corporations Act 2001* (Cth), PKF Hacketts as auditor of the Company at the upcoming Annual General Meeting of the Company or any adjournment thereof.

I request that a copy of this nomination be sent to:

1. PKF Hacketts;
2. Crowe Horwath Perth; and
3. All persons entitled to receive notice of meetings of the Company.

Yours faithfully

Signed:



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Damon Cox

## **ANNEXURE B**

### **OUTLINE OF THE ALTURA MINING LIMITED LONG-TERM INCENTIVE PLAN**

#### **Participation**

The board of directors ("**Board**") of Altura Mining Limited ("**Company**") may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan.

#### **Offers to participate**

Following a determination that an Eligible Employee may participate in the Plan, the Board may at any time and from time to time make an invitation to an Eligible Employee to apply for the grant of Performance Rights or Options ("**Awards**") under the rules in respect of the operation of the Plan ("**Rules**") to the Eligible Employee ("**Offer**").

The terms and conditions of Awards offered or granted under the Rules to each Eligible Employee will be determined by the Board in its sole and absolute discretion and set out in an offer letter delivered to the Eligible Employee ("**Offer Letter**"). The Offer Letter will include as a minimum:

- (a) the date of the Offer;
- (b) the name of the Eligible Employee to whom the Offer is made;
- (c) the number and type of Award which are capable of becoming exercisable if the conditions (if any) are met;
- (d) the grant date;
- (e) in the case of an Option, the exercise price and the exercise period;
- (f) the expiry date (if any);
- (g) any applicable conditions associated with the Award;
- (h) any disposal or other restrictions attaching to the Award or the fully paid ordinary share ("**Share**") issued upon exercise of the Award;
- (i) any rights attaching to the Awards; and
- (j) agreement with the Eligible Employee for the Company to supply details to third parties where required by law.

#### **Rules of the Plan**

Under the Plan, Performance Rights and/or Options may be offered to Eligible Employees as determined by the Board.

The following is a summary of the key terms of the Plan:

- (a) **Participation:** The Board retains complete discretion to make offers of Performance Rights to any Eligible Employee.
- (b) **Consideration:** An Eligible Employee will not pay anything for the grant of Awards.
- (c) **No Assignment:** Awards granted under the Plan may not be assigned, transferred, novated, encumbered with a security interest (such as a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature) over them, or otherwise disposed of by a participant, other than to a nominated party (such as a spouse, child, trustee of a trust or company) in accordance with the Plan, unless:
  - (i) the prior consent of the Board is obtained; or
  - (ii) such assignment or transfer occurs by force of law upon the death of a participant to the participant's legal personal representative.
- (d) **Vesting:** Awards may be subject to exercise conditions, performance hurdles or vesting conditions ("**Conditions**"). These Conditions must be specified in the Offer Letter to Eligible Employees. In the event that a takeover bid for the Company is declared unconditional, there is a change of control in the Company, or if a merger by way of a scheme of arrangement has been approved by a court, then the Board may determine that:

- (i) all or a percentage of unvested Options will vest and become exercisable;
  - (ii) all or a percentage of Performance Rights will be automatically exercised; and
  - (iii) any Shares issued or transferred to a participant under the Plan that have restrictions (on their disposal, the granting of any security interests in or over, or otherwise on dealing with), will be free from any restrictions on disposal.
- (e) **Vesting of Performance Rights:** Performance Rights will vest if and when any Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Rules, and the Company has issued a notice ("**Vesting Notification**") to the participant informing them that some or all of their Performance Rights have vested and will be exercised automatically. Following the issue of a Vesting Notification to a participant, a vested Performance Right will be automatically exercised.
- (f) **Vesting of Options:** The period during which a vested Option may be exercised will commence when all Conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Rules, and ends on the Expiry Date (as defined below). Options are deemed to have vested if and when any performance hurdles and/or vesting conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Rules, and where the Company has issued a Vesting Notification to the participant informing them that some or all of their Options have vested.
- (g) **Lapse:**
- (i) Unvested Awards will generally lapse on the earlier of:
    - A. the cessation of employment, engagement or office of a relevant person;
    - B. the day the Board makes a determination that all unvested Awards and vested Options of the relevant person will lapse because, in the opinion of the Board a relevant person has acted fraudulently or dishonestly, or is in material breach of his or her duties or obligations to the Company;
    - C. if any applicable Conditions are not achieved by the relevant time;
    - D. if the Board determines that any applicable Conditions have not been met and cannot be met prior to the date that is 5 years from the grant date of an Award or any other date determined by the Board and as specified in the Offer ("**Expiry Date**"); or
    - E. the Expiry Date.
  - (ii) Where a relevant person who holds Awards ceases employment with the Company and becomes a "Bad Leaver", unvested Awards will lapse in accordance with paragraph (i) above and vested Options that have not been exercised will lapse on the date of cessation of employment, engagement or office. A Bad Leaver is a person who ceases employment or engagement with the Company in the following circumstances:
    - A. as a result of termination of their employment or engagement due to serious and wilful misconduct, a material breach of their contract of employment, engagement or office, gross negligence or other conduct justifying termination without notice under their contract of employment, engagement or office or at common law;
    - B. the relevant person ceases their employment, engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment, engagement or office; or
    - C. the relevant person is disqualified from managing corporations for the purposes of Part 2D.6 Corporations Act.
- (h) **Good Leaver:** If a relevant person, who is classified as a "Good Leaver", ceases employment, engagement or office with the Company, unless the Board determines otherwise, the persons Awards will lapse in accordance with the terms of the Plan and vested Options that have not been exercised will continue in force and remain exercisable, subject to the satisfaction of any exercise conditions, until the Expiry Date. A Good Leaver is a person who is not a Bad Leaver, and includes where the relevant person's employment, engagement or office ceases due to

death, permanent incapacity, redundancy, resignation, retirement or any other reason the Board determines in its discretion.

- (i) **Issue Limitations:** The Board is not entitled to make an Offer to an Eligible Employee if offers of Awards under the Plan or under similar plans (excluding offers to persons situated at the time of receipt of the offer outside of Australia, that do not require the use of a disclosure document, or made under a disclosure document) in the previous 5 years would exceed 5% of the issued capital of the Company.
- (j) **Nature of Awards:** Each Option or Performance Right entitles the participant holding the Option or Performance Right, to subscribe for, or be transferred, one Share. Any Share acquired pursuant to the exercise of an Award will rank equally with all existing Shares from the date of acquisition.
- (k) **Amendment of the Plan:**
  - (i) The Board may at any time amend the Rules without shareholder approval in respect of the following matters:
    - A. amendments of a "housekeeping" nature;
    - B. changing the vesting and exercise provisions of the Plan or any Award so that the scheduled expiry date for an Award is not extended, including to provide for accelerated vesting and early exercise of any Awards;
    - C. changing the termination provisions of the Plan or any Award so that an Award's originally scheduled expiry date is not extended;
    - D. changing the provisions on transferability of Awards for normal estate settlement purposes;
    - E. changing the process by which a Participant who wishes to exercise his or her Award can do so, including the required form of payment for the Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered; and
    - F. adding a conditional exercise feature which would give Participants the ability to conditionally exercise in certain circumstances determined by the Board.
  - (ii) No amendment to the Rules may be made if the amendment materially reduces the rights of any participant in respect of the Awards granted to them prior to the date of the Amendment (except in relation to amendments stipulated by the Rules).
  - (iii) No amendment to the Plan that requires shareholder approval under any applicable securities laws or requirements shall become effective until such approval is obtained.
  - (iv) The Board may at any time terminate the Plan or suspend the operation of the Plan.

## ANNEXURE C

### VALUATION OF PERFORMANCE RIGHTS

The value of the Performance Rights has been calculated using the Black-Scholes option pricing model, which has determined a valuation of 11.0 cents per Performance Right.

The material assumptions used in valuing the Performance Rights were:

- (a) Closing share price of 11.0 cents per Share as at 13 October 2014;
- (b) Exercise price of 0 cents per Performance Right;
- (c) Risk free interest of 2.75%; and
- (d) Volatility factor of 100%.

Accordingly, the total value of the Performance Rights to be issued to each Director over the term of the Performance Rights is as follows:

<b>Director</b>	<b>First Condition</b>	<b>Second Condition</b>	<b>Third Condition</b>	<b>Total Value</b>
James Brown	\$110,000	\$110,000	\$110,000	330,000
Paul Mantell	\$55,000	\$55,000	\$55,000	165,000
Beng Teik Kuan	\$11,000	\$11,000	\$11,000	33,000
Dan O'Neill	\$11,000	\$11,000	\$11,000	33,000
Allan Buckler	\$11,000	\$11,000	\$11,000	33,000
	<u>\$198,000</u>	<u>\$198,000</u>	<u>\$198,000</u>	<u>594,000</u>

The Performance Rights are not to be quoted on ASX and as such have no actual market value.

The Performance Rights will vest if and when any Conditions are satisfied, and a Vesting Notification has been given. Following the issuing of the Vesting Notification, a vested Performance Right will be automatically exercised and converted into Shares for nil consideration. The Rights will therefore have a value at the date of their granting.

Since there is no consideration for the Shares, the financial benefit to the Director is the market value of the Shares at the time of conversion.

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# PROXY FORM

**Altura Mining Limited**  
ACN 093 391 774

**All correspondence to:**  
Altura Mining Limited  
PO Box 4088  
Springfield QLD 4300  
Enquiries (within Australia)  
Phone: 07 3814 6900  
Facsimile: 07 3814 6911

I/We \_\_\_\_\_  
(insert name of holder – please print)

Of \_\_\_\_\_  
(insert address of holder – please print)

## Appointment of Proxy

I/We being member/s of Altura Mining Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting (mark with an 'X')
 **OR**
 \_\_\_\_\_
 Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Altura Mining Limited to be held at The Springlake Hotel Function Centre, 1/1 Springfield Lakes Boulevard, Springfield Lakes, Queensland on Thursday 27 November 2014 commencing at 3.30 pm AEST and at any adjournment of that Meeting.

### IMPORTANT: FOR RESOLUTIONS 1, 6, 7, 8, 9 & 10 BELOW

**Chairman authorised to exercise proxies on remuneration related matters (Resolutions 1, 6, 7, 8, 9 & 10)** If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 1, 6, 7, 8, 9 & 10 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7, 8, 9 & 10 are connected directly or indirectly with the remuneration of a member of KMP for Altura Mining Limited, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions** If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chairman to vote for, against, or to abstain from voting).

### Voting directions to your proxy - please mark **X** to indicate your directions

Ordinary business	For	Against	Abstain*
<b>Resolution 1</b> Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Mr Paul Mantell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b> Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b> Issue of Shares and Performance Rights to Mr James Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b> Issue of Shares and Performance Rights to Mr Paul Mantell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b> Issue of Shares and Performance Rights to Mr Beng Teik Kuan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b> Issue of Shares and Performance Rights to Mr Dan O'Neill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b> Issue of Shares and Performance Rights to Mr Allan Buckler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

**Individual or Security holder 1**  
\_\_\_\_\_  
**Sole Director & Sole Company Secretary**

**Security holder 2**  
\_\_\_\_\_  
**Director**

**Security holder 3**  
\_\_\_\_\_  
**Director/Company Secretary**

\_\_\_\_\_  
**Contact Name**

\_\_\_\_\_  
**Contact Daytime Telephone**

\_\_\_\_\_  
**Date**

# How to complete the Proxy Form

## 1. Your Name and Address

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

## 2. Appointment of a Proxy

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

## 3. Votes on Items of Business

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

## 4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

## 5. Signing Instructions

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting scheduled for 3.30 pm AEST on Thursday 27 November 2014. Any Proxy Form received after that time (3.30pm AEST Tuesday 25 November 2014) will not be valid for the scheduled meeting.

## Documents may be lodged:

IN PERSON	Altura Mining Limited, Building 8, 22 Magnolia Drive, Brookwater QLD 4300
BY MAIL	Altura Mining Limited, PO Box 4088, Springfield QLD 4300
BY E-MAIL	cosec@alturamining.com
BY FAX	Within Australia 07 3814 6911 Outside Australia + 61 7 3814 6911