

**NELSON RESOURCES LIMITED**

**ACN 127 620 482**

## **Notice of Annual General Meeting**

**Annual General Meeting to be held at  
Level 11, 216 St Georges Terrace, Perth on 27 November 2018  
commencing at 11.00am (WST).**

**Important**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

# NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that an annual general meeting of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) will be held at Level 11, 216 St Georges Terrace, Perth on 27 November 2018, commencing at 11.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

## Business

### Annual Report

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To receive and consider the Annual Report of the Company for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

### Resolution 1: Remuneration Report

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2018 be adopted."*

**Note:** The votes on this Resolution are advisory only and do not bind the Directors or the Company.

#### Voting exclusion statement

The Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy.

### Resolution 2: Re-election of Peter Cook

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

*"That, for all purposes, Peter Cook, who retires by rotation in accordance with clause 13.2 of the Constitution and who is eligible and offers himself for re-election, be re-elected as a Director".*

### Resolution 3: Issue of Securities under Amended Employee Performance Rights and Option Plan

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

*"That in accordance with Exception 9 of Listing Rule 7.2, and for all other purposes, Shareholders approve the terms of the Amended Employee Performance Rights and Option Plan and the issue of Performance Rights and Options under the Amended Employee Performance Rights and Option Plan, as described in the Explanatory Memorandum."*

#### Voting exclusion statement

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

However, the Company will not disregard a vote if:

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

- it is cast by the Chair 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.

#### **Resolution 4: Issue of Performance Rights and Options to Adam Schofield**

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

*“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14, section 200B of the Corporations Act and for all other purposes, approval is given for the Company to issue:*

*(a) 2,500,000 Options; and*

*(b) 1,500,000 Performance Rights*

*to Adam Schofield, the managing director of the Company, on the terms and conditions set out in the Explanatory Statement and for any benefit under the Amended Employee Performance Rights and Option Plan relating to those Options or Performance Rights that may be given to Adam Schofield (or his Nominee) in connection with any future retirement by Adam Schofield from office or employment with the Company.”*

##### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Company's directors, or any associate of that person, except ineligible directors and their associates.

However, the Company will not disregard a vote if:

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

#### **Resolution 5: Approval of 10% Placement Facility**

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

*“That, in accordance with Listing Rule 7.1A, and for all other purposes, approval be given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement.”*

##### **Voting exclusion statement**

The Company will disregard any votes cast in favour of this Resolution by any person who is expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company will not disregard a vote if:

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

**By order of the Board**

**Stephen Brockhurst**  
Company Secretary  
Nelson Resources Limited

26 October 2018

# EXPLANATORY STATEMENT

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## Important information

This Explanatory Statement has been prepared for the information of the shareholders of Nelson Resources Limited ACN 127 620 482 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth on 27 November 2018, commencing at 11.00am (WST).

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

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

## Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section.

References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

## Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

## Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;
- a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

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

- post to the Company at Level 11, 216 St Georges Terrace, Perth, WA 6000;
- email to the Company Secretary, Stephen Brockhurst, at [steve@miningcorporate.com.au](mailto:steve@miningcorporate.com.au) or
- fax to the Company on +61 8 9463 6103,

so that it is received by no later than 11.00am (WST) on 25 November 2018. Proxy Forms received later than this time will be invalid.

### **Voting entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 11.00am (WST) on 20 November 2018. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

## REGULATORY INFORMATION

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### 1. Annual Report

The Annual Report of the Company for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company.

A representative of the Company's auditor, Regency Audit Pty Ltd, will be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

### 2. Resolution 1: Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 2 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 2 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 30 June 2018, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would be up for re-election.

#### Directors' recommendations

The Directors encourage all Shareholders to vote on Resolution 1.

### 3. Resolution 2: Re-election of Peter Cook

In accordance with clause 13.2 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Peter Cook retires by rotation at this meeting and, being eligible, offers himself for re-election. Brief background information on Peter Cook is set out below.

## **Peter Cook**

Peter Cook is a highly experienced and successful mining company executive with over 30 years relevant experience in exploration, mining, project development and management. In recent years he has been the co-founder, Managing Director and Chairman of Metals X Limited and is currently the Managing Director of the newly demerged Westgold Resources Limited which operates the gold division of what was previously the diversified Metals X's portfolio. He was also the founder and Non-Executive Chairman of a small gold producer, Pantoro Limited, resigning from that position to focus on the advancement of Westgold Resources without conflict.

Peter Cook was appointed as a Director on 4 June 2013.

## **Directors' recommendations**

Other than to the Director to whom Resolution 2 relates, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

## **4. Resolution 3: Issue of Securities under Amended Employee Performance Rights and Option Plan**

Resolution 3 seeks Shareholder approval for the issue of securities under the Company's Amended Employee Performance Rights and Option Plan (**Plan**) in accordance with exception 9(b) of Listing Rule 7.2.

### **Amended Plan**

The Plan was originally established prior to the Company being admitted to the Official List of the ASX on 7 December 2017 and a summary of the Plans terms were set out in the Company's prospectus dated 22 September 2017. The Board has, however, resolved to make changes to the Plan and Schedule 1 contains a summary of the material terms of the Plan (as amended). Accordingly, the Company seeks renewal of the Shareholders' approval to issues of securities under the Plan and the adoption of the Plan as amended.

The objective of the Plan is to assist in attracting, motivating and retaining key employees and it is considered by the Company that the adoption of the amended Plan and the future issue of securities under the Plan will provide selected employees and other eligible participants with the opportunity to participate in the future growth of the Company in a manner which aligns their interests with the interests of the Shareholders as a whole.

Any future issues of securities under the Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. Accordingly, the Company is also seeking approval under Resolution 4 for the issue of securities to the Company's managing director, Adam Schofield (or his nominee(s)) pursuant to the Plan.

### **Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. Exception 9(b) of Listing Rule 7.2 sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

If the Resolution is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

There have been no securities issued under the Plan since it was adopted by the Company.

## 5. Resolutions 4(a) and (b): Issue of Options and Performance Rights to Adam Schofield

Resolutions 4(a) and 4(b) seek Shareholder approval to issue 2,500,000 Options and 1,500,000 Performance Rights to Adam Schofield under the Plan.

### Related Party Benefits

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Under section 228(2)(a) of the Corporations Act a director of a public company is deemed to be 'related party' of the company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4(a) and 4(b):

(a) **Related party to whom the financial benefit is to be given**

Adam Schofield, as managing director of the Company.

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

2,500,000 Options and 1,500,000 Performance Rights.

(c) **Valuation of the financial benefit**

The options have been valued using the Black-Scholes option pricing model with the following inputs:

- Exercise price = \$0.20
- Share price on 22 October 2018 = \$0.13
- Expiry date = ~20 November 2021
- Volatility = 120%
- Risk free interest rate = 2.09% (Australian Government 3 year bond rate) at 22 October 2018

The Performance Rights are inherently difficult to value as their value is contingent on uncertain outcomes in the future. Further, the negative impact of the dilution of the share capital in the Company upon the conversion of the Performance Shares into Shares is arguably offset by the positive impact the achievement of any performance criteria will have on the Company. However, despite this, the Company has ascribed a value of \$26,000 for the Tranche 1 Performance Rights, \$16,250 for the Tranche 2 Performance Rights and \$13,000 for the Tranche 3 Performance Rights for the purposes of this notice.

Below is the value of the financial benefits to be provided to Adam Schofield pursuant to the issue of the Options and Performance Rights

Director	Option	Performance Right	Total
Adam Schofield	\$210,000	\$55,250	\$265,250



(d) **Milestones**

The Performances Rights are described as Tranche 1, 2 or 3 and have the terms set out in the table below:

<b>Tranche</b>	<b>Milestone</b>	<b>Expiry Date</b>	<b>Number of Performance Rights</b>
1	Vest upon the Company achieving a market capitalisation of A\$10 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021	500,000
2	Vest upon the Company achieving a market capitalisation of A\$20 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021	500,000
3	Vest upon the Company's discovery of a 100,000oz JORC resource, provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021	500,000

*If a Milestone is not achieved within the period stated, the applicable Performance Rights cannot be converted or exercised, and lapse and are cancelled automatically.*

(e) **Reason for the financial benefit**

The financial benefits are being issued and paid in consideration of services to be provided by Adam Schofield as managing director of the Company and to further align his interests with the Company.

(f) **Terms of the securities**

The full terms of the Options and Performance Rights are set out in Schedules 2 and 3 respectively.

(g) **Opportunity costs to the Company**

The Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Options or Performance Rights to Adam Schofield under Resolutions 4(a) and 4(b).

(h) **Intended use of funds raised**

No funds will be raised by the issue of the Options or Performance Rights as they are being issued as consideration for the services to be provided by Adam Schofield as a Director of the Company.

However, funds raised in the event of exercise of the Options will be applied towards working capital requirements or in any other manner that the Board considers appropriate at the relevant time. However, there is no guarantee that any of the Options will be exercised at any future time.

(i) **Directors' interests**

Other than Adam Schofield, no Director has a material personal interest in the outcome of Resolutions 4(a) and 4(b).

(j) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 4(a) and 4(b).

**Listing Rule 10.14**

Listing Rule 10.14 provides that a company must not issue equity securities to a director of the company, an associate of a director or a person whose relationship with the company or director or a director's associate is, in ASX's opinion, such that approval should be obtained, without shareholder approval.

Adam Schofield is the managing director of the Company and, accordingly, Shareholder approval is sought under Listing Rule 10.14 to permit the issue of 2,500,000 Options and 1,500,000 Performance Rights to Adam Schofield (or his nominee(s)).

If Resolutions 4(a) and 4(b) are approved, the Options and Performance Rights issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.14, the following information is provided to Shareholders in relation to Resolution 4:

(a) **Maximum number of securities to be issued**

The maximum number of securities to be issued is 2,500,000 Options and 1,500,000 Performance Rights.

(b) **Terms of the securities**

The full terms of the Options and Performance Rights are set out in Schedules 2 and 3 respectively.

(c) **Persons referred to in Listing Rule 10.14 who received securities under the Plan since the last approval**

No persons referred to in Listing Rule 10.14 have ever received any securities under the Plan.

(d) **Persons referred to in Listing Rule 10.14 entitled to participate in the Plan**

Adam Schofield (or his nominee(s)). No other person referred to in Listing Rule 10.14 is entitled to participate in the Plan for the next calendar year.

(e) **Loans in relation to acquisition of securities**

There are no loans in relation to the acquisition of Options or Performance Rights.

(f) **Date by which entity will issue the securities**

The Options and Performance Rights will be issued as soon as possible after the General Meeting and in any event, no later than 12 months after the General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules).

**Directors Recommendations**

Adam Schofield expresses no opinion and makes no recommendation in respect of the issue of the Options or Performance Rights to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 4.

Each of the other Directors recommend that Shareholders vote in favour of the issue of the Options to Adam Schofield for the reasons set out in this Explanatory Statement and on the basis that, in their opinion, the proposed issue of Options and Performance Rights:

- (a) provides a long-term incentive to Adam Schofield linked to the future success of the Company;
- (b) is a fair and reasonable alternative to additional cash payment of Director's fees;
- (c) recognises the contribution Adam Schofield has and will continue to make to the Company; and
- (d) is in line with the remuneration benefits paid to directors of other companies operating in the Company's industry and business environment.

Adam Schofield occupies a managerial and executive office with the Company within the meaning of section 200AA of the Corporations Act.

Section 200B of the Corporations Act generally provides that, subject to specific exceptions, Shareholder approval is required for the giving of benefits to a person occupying a managerial or executive office with the Company in connection with their retirement from a managerial or executive office. The term 'benefits' is widely defined and may include the early vesting or acceleration of Options or Performance Rights or waiver of exercise or forfeiture conditions or performance hurdles.

The Plan, and the terms and conditions of grant of Options and Performance Rights under the Plan to Adam Schofield (or his nominee(s)), contains a number of provisions which may operate to entitle the Adam Schofield (or his nominee(s)) to exercise Options or Performance Rights earlier and/or in different circumstances than might otherwise be the case in connection with their ceasing to hold a managerial or executive office with the Company. Some of the relevant provisions in the Plan (or terms and conditions) are subject to the Board exercising their discretion to allow such exercise (whether by waiving conditions of exercise or extending the period for exercise or otherwise).

Accordingly, the retirement benefit that may be given under the Plan is waiver of exercise conditions, performance hurdles or other conditions or early vesting of Options or Performance Rights in certain circumstances (or extension of time to exercise Options or Performance Rights) including upon termination of employment or office with the Company due to resignation, redundancy, retirement, permanent incapacity or death or where a takeover bid is made for the Shares in the Company.

The value of any such benefits which may be given to Adam Schofield (or his nominee(s)) cannot presently be ascertained but matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (a) the number of Options or Performance Rights held by the participant;
- (b) the number of Options in relation to which exercise or other conditions are waived;
- (c) the number of Options or Performance Rights that vest or are exercisable early;
- (d) the price of Shares on the ASX on the date of calculation;
- (e) the status of exercise conditions, performance hurdles or other conditions for Options or Performance Rights at the time of ceasing to hold a managerial or executive office with the Company; and
- (f) the participant's length of service and reasons for ceasing to hold a managerial or executive office with the Company.

## 6. Resolution 5: Approval of 10% Placement Facility

Resolution 5 is a special resolution which seeks Shareholder approval for the issue of Equity Securities totalling up to 10% of the issued capital of the Company under and in accordance with Listing Rule 7.1A.

### Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue Equity Securities totalling up to 10% of their issued share capital through placements over the 10% Placement Period (defined below) (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

As Resolution 6 is a special resolution, at least 75% of the votes cast must be cast in favour of the Resolution in order for it to be passed.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the only quoted Equity Securities that the Company has on issue are its Shares and Listed Options.

Approval of the 10% Placement Facility is valid from the date of the Annual General Meeting until the earlier of:

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

### (10% Placement Period).

The number of Equity Securities that the Company will have the capacity to issue under the 10% Placement Facility will be calculated in accordance with the following formula:

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

- A** has the same meaning as in Listing Rule 7.1 when calculating an entity's 15% placement capacity – i.e. the number of shares on issue 12 months before the date of issue or agreement:
- (e) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (f) plus the number of partly paid shares that became fully paid in the 12 months;
  - (g) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
  - (h) less the number of fully paid shares cancelled in the 12 months.
- 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.

For the purposes of Listing Rule 7.3A, the following information is provided to Shareholders in relation to Resolution 6:

(a) **Minimum price at which the securities may be issued**

In accordance with Listing Rule 7.1A.3, any Equity Securities issued under the 10% Placement Facility will be issued for at least 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities is agreed; or
- if the Equity Securities are not issued within 5 Trading Days of the above date, the date on which the Equity Securities are issued.

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

Any issue of Equity Securities under the 10% Placement Facility will dilute Shareholders who do not participate in the issue. The table below shows the potential economic and voting dilution of existing Shareholders as a result of the Company issuing Shares under the 10% Placement Facility, based on different issue prices and values for variable 'A' in the formula above.

Variable 'A' (Shares on issue)		Issue price		
		\$0.065 (50% decrease)	\$0.130 (Current) <sup>2</sup>	\$0.195 (50% increase)
45,592,846 (Current) <sup>1</sup>	Shares issued	4,559,285	4,559,285	4,559,285
	Funds raised	\$296,353	\$592,707	\$889,060
68,389,269 (50% increase)	Shares issued	6,838,927	6,838,927	6,838,927
	Funds raised	\$444,530	\$889,060	\$1,333,591
91,185,692 (100% increase)	Shares issued	9,118,569	9,118,569	9,118,569
	Funds raised	\$592,707	\$1,185,414	\$1,778,121

**Notes:**

1. The current variable 'A' is assumed to be the number of Shares on issue as at the date of this Notice. The number of Shares on issue could increase as a result of, for example, an issue that does not require Shareholder approval (e.g. a pro rata offer to Shareholders) or an issue with Shareholder approval under Listing Rule 7.1.
2. The current price of Shares is the closing price on the ASX on 22 October 2018.
3. The table assumes that no Options or other convertible securities are exercised or converted into Shares prior to an issue under the 10% Placement Facility.
4. The table assumes that the Company issues the maximum number of Shares available under the 10% Placement Facility.
5. The table assumes that issues of Equity Securities under the 10% Placement Facility consist only of Shares.
6. The table does not show examples of dilution that may be caused to a particular Shareholder by reason of issues under the 10% Placement Facility. Shareholders should consider the potential dilution caused in the context of their own circumstances.
7. The table only shows the effect of issues under Listing Rule 7.1A, and not issues under the 15% placement capacity under Listing Rule 7.1.

Shareholders should further note that:

- the market price for the Equity Securities may be significantly lower on the date of issue than on the date of the Annual General Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the date of issue.

**(c) Date by which the securities may be issued**

In accordance with Listing Rule 7.1A.1, any Equity Securities issued under the 10% Placement Facility will be issued during the 10% Placement Period. The 10% Placement Facility will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

**(d) Purposes for which the securities may be issued**

Any Equity Securities issued under the 10% Placement Facility may be issued for the following purposes:

- as non-cash consideration for the payment of services by service providers, contractors, consultants or equipment suppliers. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3;
- as 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;
- for cash consideration to raise funds. In such circumstances, the Company may apply the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

(e) **Allocation policy for issues of securities**

The Company's allocation policy for any Equity Securities issued under the 10% Placement Facility will depend on the prevailing market conditions at the relevant time, however, recipients will not be related parties of the Company. The identity of recipients of Equity Securities will otherwise be determined on a case by case basis having regard to the following factors (without limitation):

- the purpose of the issue;
- alternative methods for raising funds that are available to the Company including rights issues or other issues in which existing Shareholders can participate;
- the effect of the issue on the control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issuing any Equity Securities.

(f) **Previous issues of securities**

Other than the securities issued under its prospectus dated 22 September 2017, the Company has not issued any Equity Securities during the preceding 12 months. The Company has not previously sought approval for the issue of securities under Listing Rule 7.1A.

**Directors' recommendations**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## DEFINITIONS

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In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

**Amended Employee Performance Rights and Option Plan** or **Plan** means the Company's employee performance rights and option plan (as amended) summarised in Schedule 1.

**Annual Report** means the annual report of the Company for the financial year ended 30 June 2018.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Auditor's Report** means the auditor's report contained in the Annual Report.

**Board** means the board of Directors.

**Chair** means the chairperson of the Meeting.

**Company** means Nelson Resources Limited ACN 127 620 482.

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

**Director** means a director of the Company.

**Directors' Report** means the directors' report contained in the Annual Report.

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

**Explanatory Statement** means this explanatory statement incorporated in this Notice.

**Financial Report** means the financial report contained in the Annual Report.

**Listed Options** means options in the Company which are quoted on the ASX, the terms and conditions of which are set out in the ASX announcement dated 6 December 2017 and available at the ASX website.

**Listing Rules** means the listing rules of ASX, as amended from time to time.

**Meeting, General Meeting** or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held at Level 11, 216 St Georges Terrace, Perth on 27 November 2018, commencing at 11.00am (WST).

**Notice of Meeting** means the notice of annual general meeting incorporating this Explanatory Statement.

**Option** means an option to subscribe for a Share on the terms and conditions set out in Schedule 2.

**Performance Right** means a conditional right to receive a Share on the terms and conditions set out in Schedule 3.

**Proxy Form** means the proxy form attached to this Notice.

**Remuneration Report** means the remuneration report contained in the Annual Report.

**Resolution** means a resolution contained in the Notice.

**Share** means an ordinary fully paid share in the Company.

**WST** means Western Standard Time, being the time in Perth, Western Australia.



# Schedule 1 – Amended Employee Performance Rights and Option Plan

The Company adopted an employee incentive plan (**Plan**) on 19 December 2016. The objective of the Plan is to establish a method by which eligible participants can be involved in the future growth and profitability of the Company. A summary of the amended rules of the Plan are set out below.

## (a) Offer and acceptance of Awards

Under the Plan, the Board may from time to time offer eligible participants an opportunity to subscribe for options and performance rights (**Awards**) in the Company. Such an offer will be made via an offer document, which will specify, among other things, any vesting conditions relating to the Awards, the final acceptance date of the offer, and any other terms and conditions attaching to the Awards.

The Board will determine prior to an Offer being made, and specify in the Offer, any vesting conditions attaching to the Awards. The Board may apply different vesting conditions to one or more portions of any Awards.

An eligible participant (**Eligible Participant**) of the Plan includes a:

- (i) full-time or part-time employee (including an executive Director);
- (ii) non-executive Director;
- (iii) contractor;
- (iv) casual employee; or
- (v) prospective participant.

## (b) Options

The exercise period for Options will commence when any vesting conditions have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and will end on the expiry date, subject to the Plan Rules and the terms of the Company's Securities Trading Policy.

Options are deemed to have vested if and when any vesting conditions applicable to a Participant's Options have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan rules, and where the Company has issued a vesting notification to the Participant informing it that some or all its Options have vested and are exercisable.

At the sole and absolute discretion of the Board, following the issuing of a vesting notification to a Participant, a vested Option may be exercised by the Participant within the exercise period.

## (c) Performance Rights

Performance Rights are deemed to have vested if and when any vesting conditions applicable to a Participant's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Plan Rules, and where the Company has issued a vesting notification to the Participant informing them that some or all its Performance Rights have vested and will convert into Shares upon being exercised by the Participant.

Following the issuing of a vesting notification to a Participant, a vested Performance Right may be exercised by the Participant at any time prior to the expiry date.

## (d) 5% Limit

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

## (e) Cashless Exercise Facility

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon

exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off. Any such request must be expressly made by the Participant in the Exercise Notice. The Board may approve or refuse the request in its sole and absolute discretion.

**(f) Change of control event**

If a change of control event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how unvested Options or unvested Performance Rights held by a Participant will be treated.

**(g) Breach, fraud or dishonesty**

Where, in the opinion of the Board, a Participant:

- (i) acts fraudulently or dishonestly; or
- (ii) is in material breach of his or her duties or obligations to the Company or the Group,

then the Board may in its sole and absolute discretion determine that:

- (iii) all vested or unvested Awards will lapse; and/or
- (iv) where any Plan Shares have been sold by the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company.

**(h) Reconstruction of Share Capital**

If there are variations to the share capital of the Company including a variation or rights issue, sub-division, consolidation, reduction, return or cancellation of share capital, a demerger (in whatever form) or other distribution in specie, the Board may adjust the number of Awards to which a Participant is entitled and the exercise price (if applicable) in accordance with the Listing Rules.

**(i) Participation Rights**

Nothing in the rules of the Plan, participation in the Plan or the terms of any Award:

- (i) confers upon an Eligible Participant a right to a grant or offer of a grant of Awards;
- (ii) confers on an Eligible Participant or a Participant the right to continue as an employee, contractor or officer of the Company or the Group (as the case may be) or participate in the Plan;
- (iii) affects the rights of the Company or the Group to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
- (iv) affects the rights and obligations of any Eligible Participant or Participant under the terms of its employment, engagement or office with the Company or the Group;
- (v) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against the Company or the Group in respect of its employment, engagement or office;
- (vi) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of its employment, engagement or office by the Company or the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (vii) confers any responsibility or liability on the Company or the Group or its directors, officers, employees, representatives, advisers or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

**(j) Listing Rules**

While the Company remains admitted to the ASX, the terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

## Schedule 2 – Options

A summary of the terms and conditions of the Options is set out below:

**(a) Entitlement**

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option.

**(b) Expiry Date**

Each Option will expire at 7:00pm EST on 20 November 2021 (**Expiry Date**).

**(c) Exercise Price**

Each Option will have an exercise price equal to the greater of (**Exercise Price**):

- (i) 25% premium to the 5 day VWAP of the Shares on the date on which the Options are issued;
- (ii) \$0.20; or
- (iii) the exercise price determined by the Board from time to time.

**(d) Exercise period and lapsing**

Subject to clause (i), Options may be exercised at any time after the grant date until the Expiry Date. After this time, any unexercised Options will automatically lapse.

**(e) Vesting conditions**

The Options will vest immediately.

**(f) Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

**(g) Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with existing Shares on issue.

**(h) Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(i) Timing of issue of Shares**

Subject to clause (i), within 14 business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (i) allot and issue the Shares pursuant to the exercise of the Options;
- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (iii) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

**(j) Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

**(k) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 9 business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

**(l) Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

**(m) Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders the Exercise Price may be adjusted in accordance with ASX Listing Rule 6.22.

**(n) Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**(o) Quotation**

The Company will not apply for quotation of the Options on ASX.

**(p) Transferability**

Options are transferable.

## Schedule 3 – Performance Rights

The Performance Rights entitle the holder to subscribe for Shares on the terms and conditions set out below.

**(a) Entitlement**

Each Performance Right entitles the holder of the Performance Right to be issued one fully paid ordinary share in the Company, for no cash consideration, on these terms of issue including the performance condition(s) set out below. The Performance Rights will be subject to genuine disposal restrictions.

**(b) No cash consideration**

The Performance Rights will be granted for no cash consideration.

**(c) Vesting**

If the Board determines, in its sole discretion, that the performance conditions for a class of Performance Rights set out below have been satisfied prior to the relevant expiry date then that class of Performance Rights will vest and be exercisable into Shares on a one for one basis.

Tranche	Performance Condition	Expiry Date
1	Vest upon the Company achieving a market capitalisation of A\$10 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021
2	Vest upon the Company achieving a market capitalisation of A\$20 million provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021
3	Vest upon the Company's discovery of a 100,000oz JORC resource, provided that if this is achieved within 6 months of the Performance Rights being granted then they will not vest until 6 months from the time the Performance Rights were granted	20 November 2021

**(d) Lapse/Forfeiture**

If a performance condition is not satisfied by the relevant expiry date, then the relevant class of Performance Rights will automatically lapse. The Performance Rights will be forfeited if the holder ceases to be an employee or Director of the Company before the Performance Rights have vested.

**(e) Exercise**

Subject to paragraphs (c) and (g), Performance Rights may only be exercised by notice in writing to the Company (**Exercise Notice**). Any Exercise Notice for a Performance Right received by the Company will be deemed to be a notice of the exercise of that Performance Right as at the date of receipt. No exercise price, or share issue price, is payable by the holder and the Company must issue the number of Shares, update the share register and issue and send to the holder an updated holding statement within 5 business days after receiving the notice.

**(f) Shares issued on exercise**

The Share issued upon vesting will rank equally in all respects with the Company's ordinary shares and the Company will apply to the ASX for official quotation of the Shares after they are issued.

**(g) Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Performance Rights into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Performance Rights would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Performance Right that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Performance Rights may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Performance Rights will not result in any person being in contravention of section 606(1) of the Corporations Act.

**(h) Participation in new issues**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**(i) Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of an Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.

**(j) Adjustment for rights issue**

If the Company makes a rights issue of Shares pro rata to existing Shareholders there will be no adjustment to these terms and conditions.

**(k) Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

**(l) Quotation**

The Company will not apply for quotation of the Performance Rights on ASX.

**(m) Non-Transferable**

Subject to the ASX Listing Rules, the Performance Rights are only transferable, assignable or able to be otherwise disposed or encumbered:

- i. in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
- ii. by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

Special Circumstances means:

- i. death or Total or Permanent Disability of the Participant; or
- ii. Retirement or Redundancy the Participant;

- iii. the Participant suffering Severe Financial Hardship;
- iv. any other circumstance stated to constitute “Special Circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
- v. any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

**(n) Compliance with laws**

If the Corporations Act, the Listing Rules or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with the Corporations Act, the Listing Rules or the Constitution, the holder authorises the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

**(o) Deferred taxation**

Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Rights.



# PROXY FORM

NELSON RESOURCES LIMITED ACN 127 620 482

I/We


of

being a member of Nelson Resources Limited ACN 127 620 482 entitled to attend and vote at the Annual General Meeting, hereby

appoint

--

**Name of Proxy**

or

--

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at Level 11, 216 St Georges Terrace, Perth on 27 November 2018, commencing at 11.00am (WST), and at any adjournment thereof.

**The Chair intends to vote all available proxies in favour of all Resolutions.** If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

**OR**

**Voting on business of the Annual General Meeting**

		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Peter Cook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Securities under Amended Employee Performance Rights and Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(a)	Issue of Options to Adam Schofield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4(b)	Issue of Performance Rights to Adam Schofield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Member(s):**

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

**Individual or Member 1**

--

**Sole Director/Company Secretary**

**Member 2**

--

**Director**

**Member 3**

--

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

# Instructions for Proxy Form

## 1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

## 2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

## 3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

## 4. 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 shareholders should sign.
- **(Power of attorney)** If you have not already lodged the power of attorney with the Company's share 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) does not have a company secretary, as 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 a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

## 5. Return of a Proxy Form

To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return by:

- post to the Company GPO Box 2517, Perth WA 6831
- email to the Company Secretary, Stephen Brockhurst, at [steve@miningcorporate.com.au](mailto:steve@miningcorporate.com.au) or
- fax to the Company on +61 8 9463 6103,

so that it is received by no later than 11.00am (WST) on 25 November 2018.

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