

**Gold Mountain Limited
ACN 115 845 942**

**Notice of Annual General Meeting
to be held on 27 November 2015**

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

and

Independent Expert's Report

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

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD
AT LEVEL 14 AUSTRALIA SQUARE 264-278 GEORGE STREET SYDNEY NSW 2000
AT 11:00AM SYDNEY TIME ON FRIDAY, 27 NOVEMBER 2015**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING
MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
11:00AM SYDNEY TIME ON WEDNESDAY, 25 NOVEMBER 2015**

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Section A Glossary

1. Definitions

The following definitions are used in the Notice of Annual General Meeting and the Explanatory Memorandum:

Annual General Meeting	means the Annual General Meeting of the Company to be held on 27 November 2015 pursuant to the Notice of Annual General Meeting.
ASIC	means the Australian Securities & Investments Commission.
Assets	means the Exploration Licences and all mining information comprising all information, data, sketches, maps, drawings, memoranda, drill cores, logs of those drill cores and all other records and geological information in respect of the Exploration Licences.
Associate	has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the official listing rules issued and enforced by the ASX as amended from time to time.
Board	means the board of Directors of the Company.
Business Day	means a day which is not a Saturday, Sunday or public holiday in Sydney.
Company or GMN	means Gold Mountain Limited ACN 115 845 942.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).

Directors	means the directors of the Company.
Equity Securities	has the meaning given to that term in ASX Listing Rule 19.12.
Explanatory Memorandum	means the explanatory memorandum set out in Section C of this document.
Exploration Licences	means exploration licence 1966, exploration licence 1967 and exploration licence 1968 located in Papua New Guinea, granted pursuant to the PNG Mining Act and any regulations to the PNG Mining Act.
Independent Expert	means Nexia Court Financial Solutions Pty Ltd.
Independent Expert's Report	means the expert report prepared by the Independent Expert and attached as 16 to this document.
Initial Share Purchase Agreement	means the share purchase agreement dated 31 March 2015 between the Company, Viva and the Vendors in relation to the acquisition of the Tranche 1 Viva Shares by the Company
KEH	means Khor Eng Hock & Sons (PNG) Limited, a company incorporated in Papua New Guinea.
Notice of Annual General Meeting or Notice	means the notice of Annual General Meeting set out in Section B of this document.
Placement	means up to 130 million Shares to be issued to the Placement Investors pursuant to Resolution 4.
Placement Investors	means institutional or sophisticated investors, being persons who, because of one or more of sections 708(8), 708(10), 708(11) and 708(12) of the Corporations Act, may subscribe for Placement Shares without receiving a disclosure document issued by the Company in accordance with Part 6D.2 of the Corporations Act.
PNG Mining Act	means the <i>Mining Act 1992</i> (PNG).

Resolution means a resolution passed by the requisite majority of members of the Company on a show of hands or by the requisite majority of votes given on a poll.

Share means one fully paid ordinary share in the issued capital of the Company, and **Shares** means any two or more of them.

Share Purchase Agreement means the share purchase agreement dated 30 July 2015 between the Company, Viva and the Vendors in relation to the acquisition of the Tranche 2 Viva Shares by the Company.

Shareholder means a holder of a Share.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

Tranche 1 Consideration Shares means 50 million shares in the Company at an issue price of AUD0.03 per Share.

Tranche 1 Viva Shares means 50 fully paid ordinary shares comprising 20% of the entire issued capital of Viva held by the Vendors as follows:

Vendor	Type of Interest	Number of Tranche 1 Viva Shares
KEH	Legal and beneficial	30
Mr Siew Hong Koh	Legal and beneficial	10
Mr Hin Hong Koh	Legal and beneficial	10

Tranche 2 Consideration Shares means 60 million Shares at an issue price of \$0.08 per Share.

Tranche 2 Viva Shares means 125 fully paid ordinary shares comprising 50% of the entire issued capital of Viva held by the Vendors as follows:

Vendor	Type of Interest	Number of Tranche 2 Viva Shares
KEH	Legal and beneficial	75
Mr Siew Hong Koh	Legal and beneficial	25
Mr Hin Hong Koh	Legal and beneficial	25

Vendors means KEH, Mr Siew Hong Koh and Mr Hin Hong Koh.

Viva means Viva No. 20 Limited, a company incorporated in Papua New Guinea.

VWAP means the volume weighted average trading price.

2. Interpretation

For the purposes of interpreting the Explanatory Memorandum and the Notice of Annual General Meeting:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include both genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice of Annual General Meeting;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **\$, AUD, Australian Dollars** or **dollars** is a reference to the lawful currency of the Commonwealth of Australia.

Section B Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Gold Mountain Limited ACN 115 845 942 (**GMN** or the **Company**) will be held at Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 on 27 November 2015 at 11:00am (Sydney time).

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

3. Ordinary Business

3.1 Annual Report

To table and consider the Annual Report of the Company which includes the Financial Report, Directors' Report and Auditor's Report for the period ended 30 June 2015.

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions of the Directors and the Company's auditor on the Financial Report and Auditor's Report at the Annual General Meeting.

3.2 Resolution 1: Adoption of Remuneration Report

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

"That, the Remuneration Report for the year ended 30 June 2015 which is attached to the Financial Report as required under section 300A of the Corporations Act 2001 (Cth), be adopted by the Company."

Note: The Remuneration Report is set out in the Directors' Report, specifically on pages 15-19 and Note 19 to the Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

3.3 Resolution 2: Election of Graham Kavanagh as Director

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

"That, Graham Kavanagh having retired from his office as a Director in accordance with Rule 11.15 of the Constitution and, being eligible, having offered himself for election, be elected as a Director."

4. Special business

4.1 Resolution 3: Issue of the Tranche 2 Consideration Shares to the Vendors

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

"That, in accordance with section 611, item 7 of the Corporations Act and for all other purposes, the Company be permitted and authorised to issue to the Vendors (and/or their nominee(s)) the Tranche 2 Consideration Shares (60 million Shares) in consideration for the transfer of the Tranche 2 Viva Shares by the Vendors to the Company, on the terms set out in paragraph 13 of the Explanatory Memorandum (Section D)."

4.2 Resolution 4: Issue of Shares to the Placement Investors

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

"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company be permitted and authorised to issue up to 130 million Shares to the Placement Investors at an issue price of not less than 80% of the VWAP of the Shares calculated over the last five days on which sales in the Shares were recorded before the day on which the issue was made, on the terms set out in paragraph 14 of the Explanatory Memorandum."

4.3 Resolution 5: Past issue of Shares

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

"That, in accordance with ASX Listing Rule 7.4, Shareholders ratify the past issue of a total of 26,159,931 Shares on the terms set out in paragraph 15 of the Explanatory Memorandum (Section D)."

4.4 Resolution 6: Approval of the 10% placement facility

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

"That, for the purposes of ASX 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 issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in paragraph 16 of the Explanatory Memorandum (Section D)."

5. Voting exclusion statements

5.1 Resolution 1

The Corporations Act prohibits any votes being cast on Resolution 1 by or on behalf of a person who is disclosed in the Remuneration Report as a member of the key management personnel of the Company (including the Directors and the Chairman) or a closely related party of that key management personnel. However, such a person may cast a vote on Resolution 1 as a proxy for a person who is permitted to vote and the appointment of the proxy specifies the way the proxy is to vote on the resolution.

5.2 Resolution 3

In accordance with the notice requirements of section 611, item 7 of the Corporations Act, the Company will disregard any votes cast in favour of Resolution 3 by:

- (a) the Vendors; and
- (b) any Associate of the Vendors.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides.

5.3 Resolution 4

In accordance with the notice requirements of ASX Listing Rule 7.3.8 for approval under ASX Listing Rule 7.1, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4 by:

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

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5.4 **Resolution 5**

In accordance with the notice requirements of ASX Listing Rule 7.5.6 for approval under ASX Listing Rule 7.4, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 5 by:

- (a) a person who participated in the issue of Shares referred to in Resolution 5; and
- (b) any Associate of that person(s).

However, the Company will not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5.5 **Resolution 6**

In accordance with the notice requirements of ASX Listing Rule 7.3A.7 for approval under ASX Listing Rule 7.1A, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 6 by:

- (a) a person who may participate in the issue;
- (b) a 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
- (c) any Associate of such persons mentioned in paragraphs 5.5(a) and 5.5(b) above.

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. **Determination of membership and voting entitlement**

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 5:00pm Sydney time on Wednesday, 25 November 2015.

7. Votes of members

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

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

8. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Annual General Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies, neither person may vote on a show of hands and on a poll, each person may only exercise the voting rights for the portion of votes the person holds;
- (d) a proxy may be a Shareholder;
- (e) a proxy need not be a Shareholder;
- (f) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where a proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (g) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (h) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (i) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (j) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 11:00am (Sydney time) on Wednesday, 25 November 2015:

by the Share Registry:

- in person: Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Australia

- or - by mail: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

- or - by facsimile: +61 2 9290 9655

By order of the Board:



Eric Kam
Company Secretary

Dated: 23 October 2015
Sydney

Section C Explanatory Memorandum

9. Introduction

This Explanatory Memorandum contains the information needed for the Shareholders to assess the Resolutions to be put to them at the Annual General Meeting of GMN on 27 November 2015. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

In addition, the Independent Expert's Report has been provided which contains an analysis of whether the issue of the Tranche 2 Consideration Shares to the Vendors (and/or their nominee(s)) pursuant to Resolution 3 is fair and reasonable for Shareholders. The Independent Expert has concluded that the proposed issue of the Tranche 2 Consideration Shares to the Vendors is **not fair but reasonable** to the non-associated Shareholders.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting and the Independent Expert's Report, should be read carefully and in their entirety.

10. Annual Report

The Annual Report of the Company for the year ended 30 June 2015 will be laid before the meeting.

There is no requirement for Shareholders to approve the Annual Report. Shareholders will be given an opportunity to:

- (a) raise questions to the Directors or make comment on the management of the Company; and
- (b) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

11. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the first item of the agenda set out in the Notice. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting. The Remuneration Report of the Company for the financial year ended 30 June 2015 is set out in the Directors' Report, specifically on pages 15-19 and Note 19 to the Annual Report.

The Annual Report may be accessed on the ASX company announcements platform using the ASX code: GMN. Shareholders will be given a reasonable opportunity to raise questions of the Directors and make comments on the Remuneration Report prior to the

Resolution being put to Shareholders. The Resolution to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, Shareholders will then vote to determine whether the Directors will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

12. Resolution 2 – Election of Graham Kavanagh as Director

Graham Kavanagh was appointed as a Director on 5 June 2014 in accordance with Rule 11.14 of the Constitution.

Under Rule 11.14 of the Constitution, the Directors may appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed only holds office until the next annual general meeting and must then retire from office. Rule 11.15 of the Constitution provides that a retiring Director is eligible for election.

In accordance with the Constitution, Graham Kavanagh will retire and seek election at the Annual General Meeting.

A brief summary of Graham Kavanagh's qualifications and experience is set out below:

Mr Kavanagh has an extensive background over more than 25 years in securities and fund management, property investment and development as well as earlier experience in the Department of Mines. He has held senior positions as securities analyst, general manager and director in funds management and property investment.

13. Resolution 3 – Issue of the Tranche 2 Consideration Shares to the Vendors

13.1 Background

The Company is seeking the approval of Shareholders in accordance with item 7 of section 611 of the Corporations Act for the issue of 60 million Shares (**Tranche 2 Consideration Shares**) to the Vendors in accordance with the terms and conditions of the Share Purchase Agreement.

On 31 March 2015, the Company, Viva and the Vendors had entered into a share purchase agreement (**Initial Share Purchase Agreement**), pursuant to which the Vendors agreed to sell and the Company agreed to purchase 50 fully paid ordinary shares in Viva (**Tranche 1 Viva Shares**), comprising 20% of the issued capital of Viva, in consideration for the issue by the Company to the Vendors of an aggregate of 50 million Shares in the Company at an issue price of AUD0.03 per Share (**Tranche 1 Consideration Shares**).

Shareholder approval for the acquisition of the Tranche 1 Viva Shares by the Company, and the issue of the Tranche 1 Consideration Shares to the Vendors, pursuant to item 7 of section 611 of the Corporations Act, was obtained at the annual general meeting of the Company held on 15 December 2014. Completion of the acquisition of the Tranche 1 Viva Shares is subject to a number of conditions precedent, a few of which have not yet been satisfied. Accordingly, as at the date of this Notice, completion of the sale of the Tranche 1 Viva Shares has not yet occurred.

On 30 July 2015, the Company announced to the market that it had entered into a share purchase agreement with Viva and the Vendors in relation to the Company's acquisition of a further 125 fully paid ordinary shares in Viva constituting an additional 50% of the issued shares in Viva (**Tranche 2 Viva Shares**), on the terms described below (**Share Purchase Agreement**).

Together, the Tranche 1 Viva Shares and the Tranche 2 Viva Shares comprise 70% of the entire issued capital of Viva.

13.2 **Assets: Exploration Licences and associated mining information**

Exploration leases located in the north eastern part of Enga Province in the Highlands of Papua New Guinea:

EL No.	Area (km ²)	Granted	Expiry
EL 1966	239.4	27/06/2013	27/06/2015
EL 1967	294.0	28/11/2013	28/11/2015
EL 1968	328.2	28/11/2013	28/11/2015

13.3 **Share Purchase Agreement**

(a) **Background**

Under the terms of the Share Purchase Agreement, the Company has agreed to acquire the Tranche 2 Viva Shares from the Vendors in consideration for the issue by the Company to the Vendors of an aggregate of 60 million Shares in the Company at \$0.08 per share (**Tranche 2 Consideration Shares**).

(b) **Timing for completion**

The Directors anticipate that completion of the acquisition of the Tranche 2 Viva Shares will occur shortly after 28 November 2015, being the date from which an

acquisition of more than 25% of the issued capital of Viva is permitted under the PNG Mining Act.

(c) **Conditions precedent**

Completion under the Share Purchase Agreement is conditional on the satisfaction or waiver (if possible) of a number of conditions precedent, including the following:

- (i) completion of the Initial Share Purchase Agreement in accordance with its terms;
- (ii) the Vendors having obtained all necessary regulatory and government approvals as may be required from the relevant regulatory and government authorities in Papua New Guinea in respect of the Company's acquisition of the Tranche 2 Viva Shares;
- (iii) the Company having obtained all necessary regulatory and statutory approvals, including the approval of Shareholders to the issue of the Tranche 2 Consideration Shares in accordance with item 7 of section 611 of the Corporations Act; and
- (iv) the Company completing a capital raising of a minimum of AUD5 million by way of the issue of Shares at an issue price per Share calculated by reference to the VWAP of the Shares.

(d) **Interests held following completion**

Following the completion of the transactions contemplated by the Initial Share Purchase Agreement and the Share Purchase Agreement:

- (i) the Company will hold a controlling interest of 70% of the issued capital of Viva; and
- (ii) Viva will hold 34.92% of the issued capital of the Company.

(e) **Pre-emptive rights**

In accordance with the terms of the Share Purchase Agreement, the Vendors have granted the Company pre-emptive rights in relation to the remaining shares they hold in Viva.

13.4 **Approval under the Corporations Act**

(a) **Relevant interests**

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% to below 90%.

The voting power of a person in a company is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's Associates have a relevant interest.

A person has a relevant interest in securities if they:

- (iii) are the holder of the securities;
- (iv) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (v) have the power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

(b) Exception to the section 606 prohibition

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition under section 606 of the Corporations Act. This exception provides that a person may acquire a relevant interest in a company's voting shares with shareholder approval.

In order for the exemption of item 7 of section 611 of the Corporations Act to apply, shareholders must be given all information known to the person making the acquisition and their Associates or the company, that was material to the decision on how to vote on the resolution, including:

- (i) the identity of the person proposing to make the acquisition and their Associates;
- (ii) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition;
- (iii) the voting power that person would have as a result of the acquisition;
- (iv) the maximum extent of the increase in the voting power of each of that person's Associates that would result from the acquisition; and
- (v) the voting power that each of that person's Associates would have as a result of the acquisition.

For responses on these matters, see paragraph 13.5.

(c) **Why Shareholder approval is required**

As at the date of this Notice, being prior to the issue of the Tranche 1 Consideration Shares (50 million Shares) and the Tranche 2 Consideration Shares (60 million Shares) to the Vendors, the Vendors hold no Shares in the Company.

Following the issue of the Tranche 1 Consideration Shares to the Vendors in accordance with the terms of the Initial Share Purchase Agreement, and the Tranche 2 Consideration Shares to the Vendors in accordance with the terms of the Share Purchase Agreement and Resolution 3, the Vendors will together hold 110 million Shares in the Company as follows:

Vendors	Following issue of Tranche 1 Consideration Shares		Following issue of Tranche 2 Consideration Shares	
	Number of Shares held	Total percentage of Shares on issue	Number of Shares held	Total percentage of Shares on issue
KEH	30,000,000	11.76%	60,000,000	19.05%
Mr Siew Hong Koh	10,200,000	4.0%	25,200,000	8.0%
Mr Hin Hong Koh	9,800,000	3.84%	24,800,000	7.87%
Total	50,000,000	19.60%	110,000,000	34.92%

The issue of the Tranche 2 Consideration Shares to the Vendors will increase the Vendors' voting power in the Company from 19.60% (immediately following the issue of the Tranche 1 Consideration Shares) to 34.92%.

This increase in the Vendors' relevant interest in the Company from less than 20% to more than 20% is prohibited under section 606 of the Corporations Act. However, such issue would be permitted if prior Shareholder approval is granted for the issue of the Tranche 2 Consideration Shares to the Vendors in accordance with the terms of the Resolution.

13.5 **Information for Shareholders under item 7 of section 611 of the Corporations Act**

The following information is provided to Shareholders for the purposes of the requirements under the Corporations Act in respect of obtaining Shareholder approval pursuant to item 7 of section 611 of the Corporations Act:

- (a) KEH, Mr Siew Hong Koh and Mr Hin Hong Koh are the persons proposing to make the acquisition (that is, the persons who will be issued with the Tranche 2 Consideration Shares);
- (b) if the Vendors are issued with the Tranche 2 Consideration Shares, the maximum extent of the increase in the Vendors' voting power in the Company will be 15.32%;
- (c) on completion of the issue of the Tranche 2 Consideration Shares to Vendors in accordance with the terms of the Share Purchase Agreement, the Vendors will have voting power of 34.92% in the Company;
- (d) if Vendors are issued with the Tranche 2 Consideration Shares, the maximum extent of the increase in the voting power of the Vendors' Associates will be nil%; and
- (e) on completion of the issue of the Tranche 2 Consideration Shares, each of the Vendors' Associates would have a voting power of nil%.

A more detailed illustration of the changes to the capital structure of the Company as a result of this transaction is set out in paragraph 13.8.

13.6 **Information for Shareholders required by RG 74**

Further information required by ASIC Regulatory Guide 74 (**RG 74**) is set out in the following paragraphs.

- (a) *Identity of the allottee and any person who will have a relevant interest in the Tranche 2 Consideration Shares*

KEH, Mr Siew Hong Koh and Mr Hin Hong Koh.

- (b) *Full particulars (including the number and the percentage) of the Shares to which the Vendors are or will be entitled immediately before and after the proposed allotment of the Tranche 2 Consideration Shares and considered in relation to the entire issued capital of the Company*

This information is set out in some detail in paragraph 13.7.

- (c) *The identity, qualifications and associations (with the Vendors and with any of their Associates) of any person who it is intended will become a Director if Shareholders approve the issue of the Tranche 2 Consideration Shares*

The Vendors have not requested any changes to the current composition of the Board and have no current plans to do so.

(d) *A statement of the Vendors' intentions regarding the future of the Company if Shareholders agree to the issue of the Tranche 2 Consideration Shares and, in particular:*

(i) *any intention to change the business of the Company*

The Vendors have no present intention to change the business of the Company. GMN already has existing gold tenements. The Company will focus on the development of the area of the Exploration Licences.

(ii) *any intention to inject further capital into the Company, and if so how*

The Vendors have no present intention to inject any further capital of their own into the Company as at the date of this Notice.

The Company is also seeking the approval of Shareholders for the issue of an additional 130 million Shares under the Placement (Resolution 4).

The Company may also consider obtaining debt funding on an arm's length basis if such funding is considered appropriate and necessary by the Board.

(iii) *the future employment of the present employees of the Company*

The Vendors have no present intention to make any changes to the employment arrangements of the present employees of the Company.

(iv) *any proposal whereby any assets will be transferred between the Company and the Vendors or any Associate of the Vendors*

The Vendors have no present intention to transfer any property between the Company and the Vendors or any person associated with the Vendors.

(v) *any intention to otherwise redeploy the fixed assets of the Company*

The Vendors has no present intention to redeploy the fixed assets of the Company.

(vi) *any intention of the Vendors to significantly change the financial or dividend policies of the Company*

The Vendors have no present intention to change significantly the financial or dividend policies of the Company.

(e) *Particulars of the terms of the proposed allotment and any other contract or proposed contract between the Vendors and the Company or any of their Associates which is conditional upon, or directly or indirectly dependent on,*

Shareholders' agreement to the allotment of the Tranche 2 Consideration Shares.

The terms of the proposed allotment of the Tranche 2 Consideration Shares are contained in the Share Purchase Agreement, a summary of which is set out in paragraph 13.3.

There is no other contract or proposed contract between the Vendors and the Company or any of their Associates which is conditional upon, or directly or indirectly dependent on Shareholders' agreement to the allotment of the Tranche 2 Consideration Shares.

(f) *When the proposed allotment of the Tranche 2 Consideration Shares is to occur*

Subject to the conditions precedent to the issue of the Tranche 2 Consideration Shares to the Vendors contained in the Share Purchase Agreement (**Conditions Precedent**) having been satisfied, the Tranche 2 Consideration Shares will be issued to the Vendors within three Business Days after the later of the date on which all of the Conditions Precedent are satisfied or waived (or a combination of both) in accordance with the terms of the Share Purchase Agreement, and 28 November 2015.

(g) *An explanation of reasons for the proposed allotment*

The Tranche 2 Consideration Shares will be issued and allotted to the Vendors in accordance with the terms of the Share Purchase Agreement, a summary of which is set out in paragraph 13.3.

(h) *The interests of the Directors in Resolution 3*

None of the Directors is a related party or Associate of the Vendors. Therefore none of the Directors has any particular interest in this Resolution.

The number and description of Shares and Options held by or on behalf of each Director as at the date of the Notice are as follows:

Name of Director	Number of Shares	Number of Options
Matthew Morgan	850,000	0
Sin Pyng (Tony) Teng	8,120,000	0
Graham Kavanagh	0	0

13.7 ASX Listing Rule approval

(a) ASX Listing Rule 7.1

ASX Listing Rule 7.2, Exception 16 provides that if approval of an issue of securities is approved by a company's shareholders for the purposes of item 7 of section 611, Listing Rules 7.1 and 7.1A do not apply. Accordingly, the Company is not seeking approval of the issue of the Tranche 2 Consideration Shares to the Vendors under either ASX Listing Rule 7.1 or 7.1A.

(b) ASX Listing Rules 11.1.2 and 11.1.3

On 29 July 2015, the Company sought confirmation from the ASX as to the application of ASX Listing Rules 11.1.2 and 11.1.3 to the issue of the Tranche 1 Consideration Shares and the Tranche 2 Consideration Shares to the Vendors.

On 4 August 2015, the ASX confirmed that, based solely on the information provided to it:

- (i) ASX Listing Rule 11.1.1 does apply; and
- (ii) ASX Listing Rules 11.1.2 and 11.1.3 do not apply,

to the issue of the Tranche 1 Consideration Shares and the Tranche 2 Consideration Shares to the Vendors

13.8 Current and proposed interests in the Company

The table below shows the percentage of the Shares that the Vendors hold, and the voting power of the Vendors as at the date of this Notice, being:

- (a) prior to the issue of the Tranche 1 Consideration Shares (50 million Shares) pursuant to the Initial Share Purchase Agreement; and
- (b) prior to the issue of the Tranche 2 Consideration Shares (60 million Shares) pursuant to the Share Purchase Agreement:

	Number of Shares held (prior to issue of Tranche 1 Consideration Shares)	% Shares	Voting power as a %
Existing Shareholders	205,012,842	100%	100%
Vendors	0	0%	0%
Total	205,012,842	100%	100%

If the Company issues the Tranche 1 Consideration Shares to the Vendors in accordance with the terms of the Initial Share Purchase Agreement, then immediately after the issue of the Tranche 1 Consideration Shares, but prior to the issue of the Tranche 2 Consideration Shares, the percentage of the Shares held by the Vendors, and the voting power of the Vendors, will be as follows:

	Number of Shares held (immediately after issue of Tranche 1 Consideration Shares and prior to issue of Tranche 2 Consideration Shares)	% Shares	Voting power as a %
Existing Shareholders	205,012,842	80.40%	80.40%
Vendors	50,000,000	19.60%	19.60%
Total	255,012,842	100%	100%

If, following the issue of the Tranche 1 Consideration Shares to the Vendors, the Company issues the Tranche 2 Consideration Shares to the Vendors in accordance with the terms of the Share Purchase Agreement, the percentage of the Shares held by

the Vendors, and the voting power of the Vendors, prior to the issues of Shares contemplated by Resolution 4 of this Notice, will be as follows:

	Number of Shares held (immediately after issue of Tranche 2 Consideration Shares)	% Shares	Voting power as a %
Existing Shareholders (excluding Vendors)	205,012,842	65.08%	65.08%
Vendors	110,000,000	34.92%	34.92%
Total	315,012,842	100%	100%

13.9 Independent Expert's Report

In accordance with the requirements of RG 74, the Directors engaged the Independent Expert to prepare and provide the Independent Expert's Report which contains an analysis of whether the proposed issue of the Tranche 2 Consideration Shares to the Vendors is fair and reasonable for non-associated Shareholders.

The Independent Expert's Report compares the likely advantages and disadvantages for the non-associated Shareholders if the proposal is agreed to, with the advantages and disadvantages to those Shareholders if it is not.

The Independent Expert has concluded that the proposed issue of the Tranche 2 Consideration Shares to the Vendors is **not fair but reasonable** to the non-associated Shareholders. For a summary of the Independent Expert's findings please refer to the Independent Expert's Report.

The Independent Expert has given, and not before the date of the Notice withdrawn, its consent to the inclusion of the Independent Expert's Report in this document and to the references to the Independent Expert's Report in this Explanatory Memorandum being made in the form and context in which each such reference is included.

13.10 Advantages and disadvantages

The Board is of the opinion that the benefits of the issue of the Tranche 2 Consideration Shares proposed to be undertaken by the Company may include that:

- (a) it will enable the completion of the acquisition of the Vendors' rights and entitlements in the Assets;

- (b) it will provide the Company with continued access to an area in Papua New Guinea that is prospective for gold mineralisation within the New Guinea Fold Belt;
- (c) it will provide the Company with an opportunity to develop an attractive lead project, operating in a mining precinct that is known to host world class deposits, leading to further opportunities to raise additional capital as required in the future; and
- (d) the Vendors are supportive of the Company's management and its current operating plan. There has been no indication from the Vendors that they intend to change the Company's business as conducted by the current management.

Potential disadvantages of the issue of the Tranche 2 Consideration Shares include that:

- (e) **dilutions of interests:** Shareholders' interests in the Company will be diluted from 82.0% to 65.1% based on the issue of the Tranche 2 Consideration Shares (after the issue of the Tranche 1 Consideration Shares). However, the Directors consider that any dilution of Shareholders' interests will be offset by the immediate benefits of the long-term association of the Vendors; and
- (f) **Vendors' influence:** the Vendors will hold a relevant interest in the Company of 34.92%, which will place the Vendors in a position of some influence where the Vendors may be able to obstruct the decisions and operations of the Company. None of the Vendors has any current intention to obstruct the decisions and operations of the Company;
- (g) **exploration and development risks:** the Exploration Licences are in the early stage of exploration and development and there is no assurance that exploration of mineral interests will result in the discovery of an economically viable mineral deposit;
- (h) **operational risks:** the operations of the Company may be affected by various factors which are beyond the control of the Company including the failure to identify mineral deposits on the Exploration Licences, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company;
- (i) **commodity price, volatility and foreign exchange risks:** in the event that the Company (together with Viva) achieves exploration success leading to production, the revenue that the Exploration Licences will produce through the sale of commodities exposes the income of Viva (and therefore the dividends payable to the Company) to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company (and Viva). These factors include world demand for commodities, forward selling by producers and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macro economic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's (and Viva's) exploration, development and production activities, as well as on its ability to fund those activities. Furthermore, international prices of various commodities are denominated in United States Dollars whereas the income and expenditure of the Company (and Viva) are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets; and

- (j) **tenement title:** Interests in tenements in Papua New Guinea are governed by legislation and is evidenced by the granting of licences. Each Exploration Licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Viva could lose title to or its interest in the Exploration Licences if licence conditions are not met or if insufficient funds are available to meet the expenditure commitments as and when they arise.

All of the Exploration Licences will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each Exploration Licence is at the discretion of the minerals authority in Papua New Guinea. If an Exploration Licence is not renewed or granted, the Company may suffer significant damage through loss of Viva's opportunity to develop and discover any mineral resources on that Exploration Licence.

The Board takes the view that the advantages of the issue of the Tranche 2 Consideration Shares to the Vendors substantially outweigh any disadvantages and unanimously recommend that Shareholders vote in favour of this Resolution.

13.11 Recommendation of the Directors

The Directors unanimously approved the proposal to put Resolution 3 to Shareholders for their approval.

The Board has carefully considered the advantages and disadvantages and evaluated their relative weight in the circumstances of the Company. The Board unanimously believes that the sum of the advantages outweighs the sum of the disadvantages and that the issue of the Tranche 2 Consideration Shares to the Vendors is in the best interests of existing Shareholders as a whole for the reasons set out in this Explanatory Memorandum and the Independent Expert's Report.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

The Directors advise that each of them proposes to vote in favour of Resolution 3.

13.12 Further information

If you have any questions or need more information about Resolution 3, please contact the Company Secretary:

by telephone: 02 9283 3880, 0403 551 819
or by facsimile: 02 9477 5565
or by email: eric@goldmountainltd.com.au

14. Resolution 4 - Issue of Shares under the Placement

14.1 Background

The Company is proposing to issue up to 130 million Shares to Placement Investors in order to satisfy the capital raising condition under the Share Purchase Agreement (refer to Section 13.3 for more information) and to provide additional working capital to the Company.

14.2 ASX Listing Rule 7.1 approval

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

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

130 million Shares (**Placement Shares**).

Subject to the approval of the Board, the Placement Shares will be issued to Placement Investors for the purposes of raising additional working capital for the Company.

No Placement Shares will be issued to a Placement Investor if, as a result of that issue, the Placement Investor or other person acquires a relevant interest in Shares in breach of section 606 of the Corporations Act.

On issue, the Placement Shares would constitute 63.41% of the issued capital of the Company.

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

Subject to Shareholder approval being obtained and the Board resolving to issue the Placement Shares, the issue and allotment of the Placement Shares to the Placement Investors will occur on a date or dates which is or are no later than three months after the date of this Annual General Meeting or such later time as deemed appropriate by an ASX waiver.

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

Not less than 80% of the VWAP of the Shares calculated over the last five days on which sales in the Shares were recorded before the day on which the issue was made.

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

The allottees are the Placement Investors. The Placement Investors must be persons who are not related parties of the Company.

(a) **ASX Listing Rule 7.3.5:** *Terms of securities*

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

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

The funds raised by the issue of the Placement Shares to the Placement Investors will be used to provide additional working capital to the Company.

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

A voting exclusion statement is included at paragraph 5.3 of the Notice of Annual General Meeting (Section B).

15. Resolution 5 – Past issue of Shares

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

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

During the period commencing 19 December 2014 and ending on 15 July 2015, the Company issued a total of 74,143,855 Shares to various allottees. The Company is seeking approval of the issue of the 26,159,931 Shares in the manner provided by ASX Listing Rule 7.4. Details of these issues are set out in the schedule that is included in this paragraph 15 of this Explanatory Memorandum (Schedule of Past Issues of Shares). None of the allottees is related to the Company.

The Company was not required to provide any of the allottees with a disclosure document.

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

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

The amount raised by the issue of Shares for which Shareholder approval is sought is set out in the Schedule of Past Issues of Shares below.

A voting exclusion statement is included in paragraph 5.4 of the Notice of Annual General Meeting (Section C).

Schedule of Past Issues of Shares

No.	Date of Issue	Number of Shares	Issue Price Per Share \$	Total Amount Paid \$	Name of Allottee	Purpose of Issue
1	27/2/2015	2,000,000	0.03	60,000.00	Ping Chong Tan	Business development and working capital
2	27/2/2015	600,000	0.03	18,000.00	Byron Li & Pei Zhen Ke <The Byron Family Super Fund>	Business development and working capital
3	27/2/2015	1,333,300	0.03	39,999.00	LiSheng Yu	Business development and working capital
4	27/2/2015	3,500,000	0.03	105,000.00	SuWe Cheni	Business development and working capital
5	27/2/2015	670,000	0.03	20,100.00	Patrick Tsz Wah Leung	Business development and working capital
6	15/7/2015	7,500,000	0.04	300,000.00	Yoke Lan Gan	Business development and working capital
7	15/7/2015	7,500,000	0.04	300,000.00	GHA Development Pty Ltd	Business development and working capital
8	15/7/2015	2,500,000	0.04	100,000.00	Daxner Super Pty Ltd <Daxner Superannuation Fund>	Business development and working capital
9	15/7/2015	500,000	0.04	20,000.00	Geoffrey Wong	Business development and working capital
10*	15/7/2015	56,631	0.04	2,265.24	Bristow Pike Pty Limited <Benbow & Pike Superannuation Fund No.2 A/C>	Business development and working capital
Total:		26,159,931		965,364.24		

*Note: Issued 500,000 shares at \$0.04 each of which 443,369 shares were issued under ASX Rule 7.1A

16. Resolution 6 – Approval of the 10% placement facility

16.1 General

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

For the purposes of ASX Listing Rule 7.1A, an eligible entity 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.

The Company is seeking to obtain Shareholder approval by way of a special resolution, to enable the Company to issue Equity Securities under the 10% Placement.

The exact number of Equity Securities to be issued under the 10% Placement will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and set out in detail in paragraph 16.2(c), below.

16.2 Description of ASX Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

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

As at the date of the Notice of Annual General Meeting, the Company has one quoted class of Equity Securities on issue, being Shares.

(c) Formula for calculating the 10% Placement

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

(A X D) – E

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

plus the number of fully paid Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

plus the number of partly paid Shares that became fully paid in the 12 months;

plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and

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 ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under ASX Listing Rules 7.1 or 7.4.

(d) ASX Listing Rules 7.1 and 7.1A

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

At the date of this Notice of Annual General Meeting, the Company has on issue 205,012,842 Shares and therefore, has capacity to issue:

- (i) 30,751,926 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 6, 20,501,284 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated on the date of issue of Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see paragraph 9.2(c)).

(e) Minimum issue price

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must not be less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph 16.2(e)(i), the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

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

(10% Placement Period).

16.3 ASX Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Company to issue Equity Securities in any existing quoted class, under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1. As at the date of the Notice of Annual General Meeting, the Company has one quoted class of Equity Securities on issue, being Shares.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

16.4 Specific Information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement under ASX Listing Rule 7.1A:

- (a) **ASX Listing Rule 7.3A.1:** *Minimum price at which the equity securities may be issued*

The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) **ASX Listing Rule 7.3A.2: Statement of the risk of economic and voting dilution of existing ordinary security holders**

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:

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

The table below sets out the potential dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares on issue, being variable "A" in the table, which is calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Annual General Meeting.

The table also shows:

- (iii) in addition to the current variable "A", two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares 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 ASX Listing Rule 7.1 that are approved at future Shareholders' meetings; and
- (iv) two examples, one where the issue price of ordinary securities has decreased by 50% and the other where the issue price of ordinary securities has increased by 50%, as against the current market price.

		Dilution		
Variable "A" in ASX Listing Rule 7.1A.2 (subject to the assumptions below)		50% decrease in Issue Price \$0.0305	Issue Price \$0.061	100% increase in Issue Price \$0.122
Current Variable A 205,012,842 Shares	10% voting dilution	20,501,284 Shares	20,501,284 Shares	20,501,284 Shares
	Funds raised	\$625,289.17	\$1,250,578.34	\$2,501,156.67
50% increase in current Variable A 307,519,263 Shares	10% voting dilution	30,751,926 Shares	30,751,926 Shares	30,751,926 Shares
	Funds raised	\$937,933.75	\$1,875,867.50	\$3,751,735.01
100% increase in current Variable A 410,025,684 Shares	10% voting dilution	41,002,568 Shares	41,002,568 Shares	41,002,568 Shares
	Funds raised	\$1,250,578.34	\$2,501,156.67	\$5,002,313.34

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement.
- 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%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement, based on that Shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The assumed issue price is \$0.061, being the closing price of Shares on ASX on 21 October 2015.

(c) **ASX Listing Rule 7.3A.3: Date by which securities may be issued**

The Company will only issue the Equity Securities during the 10% Placement Period.

The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking) during the 10% Placement Period.

(d) **ASX Listing Rule 7.3A.4: Purposes of the issue**

The Company may seek to issue Equity Securities under the 10% Placement for the following purposes:

- (i) non-cash consideration for the acquisition of new resources, 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
- (ii) cash consideration. In such circumstances, the Company intends to use 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.

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

(e) **ASX Listing Rule 7.3A.5: Details of the allocation policy for issues under the approval**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement. 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:

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

The allottees under the 10% Placement have not been determined as at the date of this Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company. For the avoidance of doubt, the allottees will not include related parties or Associates of a related party of the Company.

(f) **ASX Listing Rule 7.3A.6: Previous approval under ASX Listing Rule 7.1A**

The Company obtained Shareholder approval under ASX Listing Rule 7.1A at its 2014 annual general meeting (**2014 AGM**).

Since the 2014 AGM:

- (i) the Company has issued 74,143,855 Equity Securities since the 2014 AGM, representing 56.7% of the total number of Equity Securities on issue at the date of the 2014 AGM;;
- (ii) the Company has issued the following Shares on the following terms:
 - (A) during December 2014; and

Date of issue	18/12/2014	19/12/2014
Number issued	10,000,000	8,000,000**
Type of equity	Shares	Shares
Summary of terms	Shares issued ranked pari pasu with existing investors	Conversion of converting notes into Shares. Shares issued ranked pari pasu with existing investors
Names of persons who received Shares	Various sophisticated and professional investors	Various sophisticated and professional investors
Price	\$0.03	\$0.025
Discount to market	Not Applicable	Not Applicable
Total cash consideration	\$300,000	Non-cash
Use of cash consideration	Working capital	
Amount of cash consideration spent	\$300,000	Not Applicable

** Of which, 3,000,000 Shares were issued with the approval of Shareholders at the 2014 AGM to a related party, Rodby Holdings Pty Limited in its capacity as trustee for the SP Teng Family Trust, a company controlled by Sin Pyng "Tony" Teng, a non-executive Director of the Company.

(B) during the period from February to July 2015; and

Date of issue	27/2/2015	5/6/2015	15/7/2015
Number issued	28,103,300	8,530,555 [^]	19,510,000
Type of equity	Shares	Shares	Shares
Summary of terms	Shares issued ranked pari pasu with existing investors	Exercise of unlisted options	Underwritten subscription of Shares for unexercised options
Names of persons who received Shares	Various sophisticated and professional investors	Various sophisticated and professional investors	Various sophisticated and professional investors
Price	\$0.03	\$0.04	\$0.04
Discount to market	Not Applicable	Not Applicable	Not Applicable
Total cash consideration	\$843,099	\$341,222	\$780,400
Use of cash consideration	Working Capital		
Amount of cash consideration spent	\$843,099	\$341,222	\$780,400

[^] Includes 250,000 Shares issued to Matthew Morgan, Non-executive Director on exercise of options.

The Shares issued since the 2014 AGM are ordinary fully paid shares that rank equally with all other Shares on issue. The Shares were issued to sophisticated or professional investors, and other than as disclosed above, none of them are related parties of the Company.

(g) **ASX Listing Rule 7.3A.7: A voting exclusion statement**

A voting exclusion statement is included at paragraph 5.5 of the Notice of Annual General Meeting (Section C).

16.5 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6. The Directors consider that the approval of the 10% Placement described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months, without further Shareholder approval.

Section D Independent Expert's Report

[See separate attachment]