

**Gold Mountain Limited
ACN 115 845 942**

**Notice of Annual General Meeting
to be held on Tuesday, 28 November 2017**

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

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

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD
AT LEVEL 14 AUSTRALIA SQUARE 264-278 GEORGE STREET SYDNEY NSW 2000
AT 11:00AM SYDNEY TIME ON TUESDAY, 28 NOVEMBER 2017**

**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 SUNDAY, 26 NOVEMBER 2017**

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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 28 November 2017 pursuant to the Notice of Annual General Meeting.
ASIC	means the Australian Securities & Investments Commission.
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.
August 2017 Placement Investor	means Pay Chuan Lim, an investor who qualifies as a Placement Investor .
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.

EL2306	means Exploration Licence 2306 granted pursuant to the <i>Mining Act 1992</i> (PNG) and any regulations made pursuant to that Act.
EL2306 Interest	means a 70% legal and beneficial ownership interest in EL2306.
EL2306 Vendor	means Khor Eng Hock & Sons (PNG) Limited.
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.
Notice of Annual General Meeting or Notice	means the notice of Annual General Meeting set out in Section B of this document.
Official Quotation and Officially Quoted	means officially quoted on the ASX.
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 Shares without receiving a disclosure document issued by the Company in accordance with Part 6D.2 of the Corporations Act.
Promoters	means a person who qualifies as a Placement Investor and who had a material involvement in, or who has provided a service to the Company in relation to the placement of Shares by the Company during 2017.
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.
Shareholder	means a holder of a Share.

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

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 Tuesday, 28 November 2017 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.

1. Ordinary business

1.1 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 2017.

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2017 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.

1.2 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 2017 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 17-22 of, and Note 21 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.

1.3 Resolution 2: Election of Douglas Smith as Director

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

"That, Douglas Smith, having retired from his office as a Director in accordance with Rule 3.3(a) of the Constitution and, being eligible, having offered himself for election, be elected as a Director."

1.4 **Resolution 3: Re-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 3.6 of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

2. Special business

2.1 **Resolution 4: Past issue of Shares and Options**

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 35,622,191 Shares and 17,811,095 Options on the terms set out in paragraph 6 of the Explanatory Memorandum (Section C)."

2.2 **Resolution 5: General placement of Shares to 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 80 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 7 of the Explanatory Memorandum (Section C)."

2.3 **Resolution 6: Issue of Shares and Options to August 2017 Placement Investor**

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 10,000,000 Shares and 5,000,000 free attaching Options with an exercise price of \$0.15 per Option and a term expiring on 30 June 2019, on the basis of one Option for every two Shares subscribed for under the Placement, on the terms set out in paragraph 8 of the Explanatory Memorandum (Section C)."

2.4 **Resolution 7: Issue of Options to Promoters**

"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company be permitted and authorised to issue 28 million Options to the Promoters, on the terms set out in paragraph 9 of the Explanatory Memorandum (Section C)."

2.5 **Resolution 8: Issue of Shares to the EL2306 Vendor**

"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, the Company be permitted and authorised to issue 22 million Shares to the EL2306 Vendor as part consideration for the acquisition by the Company of the EL2306 Interest on the terms set out in paragraph 10 of the Explanatory Memorandum (Section C)."

2.6 **Resolution 9: Issues of Options to Sin Pyng "Tony" Teng**

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

"That, in accordance with section 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue up to 1,000,000 Options to Sin Pyng "Tony" Teng, a Director of the Company, on the terms and conditions set out in paragraph 11 of the Explanatory Memorandum (Section C)."

2.7 **Resolution 10: Issues of Options to Graham Kavanagh**

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

"That, in accordance with section 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, the Company be permitted and authorised to issue up to 1,000,000 Options to Graham Kavanagh, a Director of the Company, on the terms and conditions set out in paragraph 11 of the Explanatory Memorandum (Section C)."

2.8 **Resolution 11: Extension of the Employee Share Option Plan**

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

"That, in accordance with Exception 9 of ASX Listing Rule 7.2 and for all other purposes, the Employee Share Option Plan be extended for a further three years, and on the terms more fully described in paragraph 12 of the Explanatory Memorandum (Section C)."

2.9 **Resolution 12: Issue of securities under the Employee Share Option Plan**

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

"That, in accordance with ASX Listing Rule 10.14 and for all other purposes:

- (i) the Company be permitted and authorised to issue Shares to, and for the benefit of, employees of the Company (including consultants and Directors); and*
- (ii) the Company be permitted and authorised to issue Options to, and for the benefit of, employees of the Company (including consultants and Directors),*

on the terms more fully described in paragraph 13 of the Explanatory Memorandum (Section C)."

2.10 **Resolution 13: 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 14 of the Explanatory Memorandum (Section C)."

3. Voting exclusion statements

3.1 **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.

3.2 **Resolution 4**

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 4 by:

- (a) a person who participated in the issue of Shares referred to in Resolution 4; 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.

3.3 **Resolution 5**

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 5 by:

- (a) the Placement Investors;
- (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 the persons in paragraphs (a) and (b).

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.

3.4 **Resolution 6**

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 6 by:

- (a) the August 2017 Placement Investors;
- (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.

3.5 **Resolution 7**

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 7 by:

- (a) a Promoter;
- (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 the persons in paragraphs (a) and (b).

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.

3.6 **Resolution 8**

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 8 by:

- (a) the EL2306 Vendor;
- (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 the persons in paragraphs (a) and (b).

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.

3.7 **Resolution 9**

In accordance with the notice requirements of ASX Listing Rule 10.13.6 for approval under ASX Listing Rule 10.11, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 9 by:

- (a) Sin Pyng "Tony" Teng;

- (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 the persons in paragraphs (a) and (b).

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (e) it is not cast on behalf of a related party or an associate of a kind referred to in paragraphs (a) through (c) above.

3.8 **Resolution 10**

In accordance with the notice requirements of ASX Listing Rule 10.13.6 for approval under ASX Listing Rule 10.11, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 10 by:

- (a) Graham Kavanagh;
- (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 the persons in paragraphs (a) and (b).

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (e) it is not cast on behalf of a related party or an associate of a kind referred to in paragraphs (a) through (c) above.

3.9 **Resolution 11**

In accordance with the notice requirements of ASX Listing Rule 7.2 Exception 9(b) for approval under ASX Listing Rule 7.2 Exception 9, ASX Listing Rule 10.15A.6 for approval under ASX Listing Rule 10.14 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 11 by:

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

However, the Company will not disregard a vote if:

- (c) 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

- (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.

3.10 **Resolution 12**

In accordance with the notice requirements of ASX Listing Rule 10.15A.6 for approval under ASX Listing Rule 10.14 and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 12 by:

- (a) any Director of the Company who is eligible to participate in the Employee Share Option Plan in respect of which the approval is sought and, if ASX has expressed an opinion under rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person; and
- (b) any Associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (c) 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
- (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.

3.11 **Resolution 13**

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 13 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 the persons in paragraphs (a) and (b).

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.

4. 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 7:00pm Sydney time on Sunday, 26 November 2017.

5. 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.

6. 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. Where there is more than one proxy appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of those votes.
- (d) if a Shareholder appoints two proxies, neither person may vote on a show of hands;
- (e) and on a poll, each person may only exercise the voting rights for the portion of votes the person holds;
- (f) a proxy may be a Shareholder;
- (g) a proxy need not be a Shareholder;
- (h) 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;

- (i) 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;
- (j) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (k) 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
- (l) 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 Sunday, 26 November 2017:

by the Share Registry:

- in person: Boardroom Pty Limited
Grosvenor Place, 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: 27 October 2017

Sydney

Section C Explanatory Memorandum

1. 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 28 November 2017. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

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

2. Annual Report

The Annual Report of the Company for the year ended 30 June 2017 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.

3. 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 2017 is set out in the Directors' Report, specifically on pages 17-22 and Note 21 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.

4. Resolution 2 – Election of Douglas Smith as Director

Douglas Smith was appointed as a Director on 29 December 2016 in accordance with Rule 3.3 of the Constitution.

Under Rule 3.3 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 3.3(a) of the Constitution provides that a retiring Director is eligible for election.

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

A brief summary of Douglas Smith's qualifications and experience is set out below:

On 29 December 2016, the Company announced that Doug Smith had been appointed to the Board as Exploration and In-Country Operations Director. Prior to that date, Mr Smith had provided consulting services to the Company and has been on site since May 2015. Mr Smith continues to manage key exploration activities including the extensive trenching and bulk sampling operations that have been ongoing at Crown Ridge.

Douglas Smith is a very experienced geologist with over twenty years' experience working on major precious metals projects and exploration assets in Canada, Alaska, Australia and more recently PNG. Mr Smith has worked in PNG since 2011 on projects such as Ok Tedi and Highland Pacific's Star Mountains exploration tenements. On that project, he was the only expatriate officer managing a team of over one hundred local staff. He also worked on the giant Pebble Alaska 100 million ounces gold, 80 billion pounds copper project, managing over 200 contractors with one other colleague. Together, they designed the original geophysical survey (89 square miles) and designed and executed an extensive drilling program to bring the resource to be the indicated category and take the project to a pre-feasibility stage.

5. Resolution 3 – Re-election of Graham Kavanagh as Director

Graham Kavanagh was appointed as a Director on 9 July 2014.

Under Rule 3.6 of the Constitution, one third of the Directors (except for the Managing Director) must retire from office at each annual general meeting. Rule 3.6 of the Constitution further 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.

6. Resolution 4 – Past issue of Shares and Options

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 18 October 2016 and ending on 10 August 2017, the Company issued a total of 42,574,838 Shares and 79,632,658 Options to various allottees. The Company is seeking approval of the issue of the 35,622,191 Shares and the 17,811,095 Options 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 6 of this Explanatory Memorandum (Schedule of Past Issues of Shares and Options). 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 and Options, 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.

(a) **ASX Listing Rule 7.5.1:** *The number of securities issued*

The number of securities issued by the Company is as set out in the Schedule of Past Issues of Shares and Options below.

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

The issue price of the Shares issued by the Company is as set out in the Schedule of Past Issues of Shares and Options below. No consideration was provided to the Company on the issue of the Options.

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

The Shares issued by the Company as shown in the Schedule of Past Issues of Shares and Options below rank equally with all the other Shares on issue.

Each Option has an exercise price of \$0.15 per Share. The exercise period for each Option commenced on the date of issue and expires on 30 June 2019.

(d) **ASX Listing Rule 7.5.4:** *The names of the persons to whom the entity issued the securities*

The persons to whom the Company issued the Shares and Options are as shown in the Schedule of Past Issues of Shares and Options below.

(e) **ASX Listing Rule 7.5.5:** *The use (or intended use) of the proceeds*

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 and Options below. The funds raised are being utilised by the Company to fund the development of the Wabag Project and to provide working capital.

No funds were raised by the Company on the issue of the Options.

(f) **ASX Listing Rule 7.5.6:** *A voting exclusion statement*

A voting exclusion statement is included in paragraph 3.2 of the Notice of Annual General Meeting (Section C).

Resolution 4 – Schedule of Past issue of Shares and Options

No.	Date of Issue	Number of Shares	Number of free Options	Issue Price Per Share \$	Total Amount Paid \$	Name of Allottee
1	19/10/2017	238,095	119,048	\$0.042	10,000.00	Jose Eduardo C Delgado
2	19/10/2017	500,000	250,000	\$0.042	21,000.00	Gregory Cetinich
3	19/10/2017	500,000	250,000	\$0.042	21,000.00	Manish Bagaria
4	15/5/2017	1,850,000		\$0.100	185,000.00	Syed Hasan Saifud-deen Abdul-Basseer Alsagoff
5	15/5/2017	1,310,000		\$0.100	131,000.00	CT-K Ventures Sdn Bhd
6	15/5/2017	500,000		\$0.100	50,000.00	Alwee Albar Bin Syed IDROS
7	15/5/2017	500,000		\$0.100	50,000.00	Ali Albar Bin Syed IDROS
8	15/5/2017	500,000		\$0.100	50,000.00	Sharifah Shahirah Binte Syed Abdullah Alsree
9	15/5/2017	500,000		\$0.100	50,000.00	A Suppramaniam Annamalai
10	15/5/2017	200,000		\$0.100	20,000.00	Sharifah Farah binte Hasan Alsagoff
11	15/5/2017	1,000,000		\$0.100	100,000.00	Eugene Cheng Ian HENG
12	15/5/2017	500,000		\$0.100	50,000.00	Chong Jin LEOW
13	15/5/2017	1,000,000		\$0.100	100,000.00	Weng Chong LAM
14	15/5/2017	300,000		\$0.100	30,000.00	Syed Elwi Salahedeen bin Syed Hazem Alsagoff
15	15/5/2017	2,500,000		\$0.100	250,000.00	SNS Holdings Pte Ltd
16	6/6/2017	1,000,000		\$0.100	100,000.00	Rodzlan Akib Abu Bakar
17	6/6/2017	500,000		\$0.100	50,000.00	Jay Tsen LIM
18	6/6/2017	1,000,000		\$0.100	100,000.00	Pu Hooi TAN
19	6/6/2017	10,000,000		\$0.100	1,000,000.00	Pay Chuan LIM
20	6/6/2017	500,000		\$0.100	50,000.00	Revi Hamid BUGO
21	6/6/2017	250,000		\$0.100	25,000.00	Graeme Iain BROWN
22	6/6/2017	1,000,000		\$0.100	100,000.00	Beng Kiat SOH
23	6/6/2017	550,000		\$0.100	55,000.00	Siek Fung CHIENG
24	6/6/2017	600,000		\$0.100	60,000.00	Anny Gi Ling WONG
25	6/6/2017	134,000		\$0.100	13,400.00	Shivendra Carl SINGH
26	6/6/2017	500,000		\$0.100	50,000.00	Kah Siong KONG
27	6/6/2017	500,000		\$0.100	50,000.00	Abd Karim Rahman Hamzah
28	6/6/2017	500,000		\$0.100	50,000.00	Ing King TIONG
29	30/6/2017	-	925,000	-	-	Syed Hasan Saifud-deen Abdul-Basseer Alsagoff
30	30/6/2017	-	655,000	-	-	CT-K Ventures Sdn Bhd
31	30/6/2017	-	250,000	-	-	Alwee Albar Bin Syed Idros
32	30/6/2017	-	250,000	-	-	Ali Albar Bin Syed Idros
33	30/6/2017	-	250,000	-	-	Sharifah Shahirah Binte Syed Abdullah Alsree
34	30/6/2017	-	250,000	-	-	A Suppramaniam Annamalai
35	30/6/2017	-	100,000	-	-	Sharifah Farah binte Hasan Alsagoff
36	30/6/2017	-	500,000	-	-	Rodzlan Akib Abu Bakar
37	30/6/2017	-	500,000	-	-	Eugene Cheng Ian HENG
38	30/6/2017	-	250,000	-	-	Chong Jin LEOW
39	30/6/2017	-	500,000	-	-	Weng Chong LAM
40	30/6/2017	-	250,000	-	-	Jay Tsen LIM
41	30/6/2017	-	150,000	-	-	Syed Elwi Salahedeen bin Syed Hazem Alsagoff
42	30/6/2017	-	500,000	-	-	Pu Hooi TAN
43	30/6/2017	-	5,000,000	-	-	Pay Chuan LIM
44	30/6/2017	-	1,250,000	-	-	SNS Holdings Pte Ltd
45	30/6/2017	-	250,000	-	-	Revi Hamid BUGO
46	30/6/2017	-	125,000	-	-	Graeme Iain BROWN
47	30/6/2017	-	500,000	-	-	Beng Kiat SOH
48	30/6/2017	-	275,000	-	-	Siek Fung CHIENG
49	30/6/2017	-	300,000	-	-	Anny Gi Ling WONG
50	30/6/2017	-	67,000	-	-	Shivendra Carl SINGH

No.	Date of Issue	Number of Shares	Number of free Options	Issue Price Per Share \$	Total Amount Paid \$	Name of Allottee
51	30/6/2017	-	250,000	-	-	Kah Siong KONG
52	30/6/2017	-	250,000	-	-	Abd Karim Rahman Hamzah
53	30/6/2017	-	250,000	-	-	Ing King TIONG
54	10/8/2017	100,800	50,400	\$0.100	10,080.00	Abdul Elassaad & Holly Elassaad
55	10/8/2017	1,000,000	500,000	\$0.100	100,000.00	Hoi Chuang KUEH
56	10/8/2017	200,000	100,000	\$0.100	20,000.00	Pui Tzy NG (Ms)
57	10/8/2017	150,000	75,000	\$0.100	15,000.00	Soon Kong CHOO
58	10/8/2017	100,000	50,000	\$0.100	10,000.00	Mei Fung TAN (Ms)
59	10/8/2017	1,000,000	500,000	\$0.100	100,000.00	Izaddeen DAUD
60	10/8/2017	200,000	100,000	\$0.100	20,000.00	Lee Huei PNG (Ms)
61	10/8/2017	900,000	450,000	\$0.100	90,000.00	Francis Chee Ngee LOU
62	10/8/2017	1,000,000	500,000	\$0.100	100,000.00	Rosland Othman & Rosli Hamat
63	10/8/2017	1,000,000	500,000	\$0.100	100,000.00	Syed Zafilen bin Syed Alwee
64	10/8/2017	1,000,000	500,000	\$0.100	100,000.00	Lee Shong LAI (Ms)
65	10/8/2017	39,296	19,647	\$0.100	3,929.60	Allender Exploration Pty Ltd
Total:		35,622,191	17,811,095		\$ 3,490,409.60	

*Note: This Schedule shows Shares and Options issued under ASX Rule 7.1 only.

7. Resolution 5 – General Placement of Shares to Placement Investors

7.1 Background

The Company is proposing to issue up to 80 million Shares to Placement Investors to provide additional working capital to the Company.

7.2 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

80 million Shares (**General Placement Shares**).

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

No General 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 General Placement Shares would constitute 18.05% 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 General Placement Shares, the issue and allotment of the General 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 General Placement Shares issued to the Placement Investors Officially Quoted and these General 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 General 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 General 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 3.3 of the Notice of Annual General Meeting (Section B).

8. Resolution 6 - Issue of Securities to August 2017 Placement Investors

8.1 Background

On 23 August 2017, the August 2017 Placement Investor agreed to accept a placement by the Company of 10,000,000 Shares at an issue price of \$0.10 per Share with

5,000,000 free attaching Options on the basis of one Option for every two Shares, subject to Shareholder Approval being obtained (**Proposed Placement**).

The Company is now seeking the approval of Shareholders under ASX Listing Rule 7.1 to issue 10,000,000 Shares and 5,000,000 free attaching Options (with an exercise price of \$0.15 and an expiry date 30 June 2019) to the August 2017 Placement Investor, on the basis of one free attaching Option for every two Shares to be subscribed for under the Proposed Placement.

8.2 **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

10,000,000 Shares (**Placement Shares**) and 5,000,000 Options (**Placement Options**), (the Placement Shares and the Placement Options together, the **Placement Securities**).

- (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 Securities, the issue and allotment of the Placement Securities to the August 2017 Placement Investor 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*

Issue price \$0.10 per Placement Share.

Nil issue price per Placement Option. The exercise price of each Placement Option is \$0.15.

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

Pay Chuan Lim

The August 2017 Placement Investor is not a related party of the Company.

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

Issue price \$0.10 per Share with free attaching Options on the basis of one Option for every two Shares subscribed;

- (i) Issue price \$0.10 per Share with free attaching Options on the basis of one Option for every two Shares subscribed;
- (ii) Each Placement Option has an exercise price of \$0.15 per Share.

- (iii) Each Placement Option expires on 30 June 2019;
- (iv) The rights of the August 2017 Placement Investors to the Placement Options will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, including ASX Listing Rule 7.22.
- (v) The Placement Options will not be listed on the ASX. Upon the issue of the Shares on exercise of the Placement Options, the Company will apply to the ASX to have the Shares issued to the August 2017 Placement Investors Officially Quoted and, subject to any ASX ruling regarding Restricted Securities, will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the August 2017 Placement Investor in respect of the Shares to be issued to them on exercise of the Placement Options will be identical to the rights and entitlements of the holders of issued Shares.

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

The funds raised by the issue of Placement Shares and the exercise of the Options by the August 2017 Placement Investor will be used to provide additional working capital to the Company, including the funding of the Company's flagship Crown Ridge Project in Papua New Guinea.

No funds will be raised by the issue of the free attaching Placement Options.

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

A voting exclusion statement is included at paragraph 3.4 of the Notice of Annual General Meeting (Section B)

9. Resolution 7 - Issue of Options to Promotors

9.1 Background

The Company undertook various placements of Shares commencing in May 2017. In undertaking the placements, the Company sought the assistance of various promotors. The Company is proposing to issue 28 million Options to the Promotors in consideration for the provision of their services and their material contribution to the success of the placements.

9.2 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

28 million Options (**Promotor Options**).

- (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 Promotor Shares, the issue and allotment of the Promotor Options to the Promotors 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*

Nil issue price per Promotor Option. Each Promotor Option has an exercise price of \$0.15.

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

The allottees are the Promotors. The Promotors are not related parties of the Company.

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

- i) Each Promotor Option has an exercise price of \$0.15 per Share;
- ii) The exercise period in respect of each Promotor Option commences on the date of issue and expires on 30 June 2019;
- iii) The rights of the Promotors to the Promotor Options will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, including ASX Listing Rule 7.22.
- iv) A holder of Promotor Options has no right to participate in any new offering of securities by the Company without first exercising the Promotor Option(s).
- v) The Promotor Options will not be listed on the ASX. Upon the issue of the Shares on exercise of the Promotors Options, the Company will apply to the ASX to have the Shares issued to the Promotors Officially Quoted and, subject to any ASX ruling regarding Restricted Securities, will rank equally with all other Shares on issue. In all other respects, the rights and entitlements of the Promotors in respect of the Shares to be issued to them on exercise of the Promotor Options will be identical to the rights and entitlements of the holder of issued Shares.

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

No funds will be raised by the issue of the Promotor Options. Funds raised upon exercise of the Promotor Options will be applied by the Company towards working capital purposes.

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

A voting exclusion statement is included at paragraph 3.5 of the Notice of Annual General Meeting (Section B).

10. Resolution 8 - Issue of Shares to EL2306 Vendor

10.1 Background

On 18 July 2017, the Company announced that it had entered a binding agreement for the acquisition of the EL2306 Interest from the EL2306 Vendor for purchase price of \$5,200,000 comprising 22 million Shares at a notional price of \$0.10 per Share and \$3,000,000 in cash. The cash consideration of \$3,000,000 is payable in instalments.

Completion of the acquisition of the EL2306 Interest by the Company is due to occur on 15 December 2017, being the first business day after the date of the second anniversary of the registration of EL2306 by the PNG Mineral Resources Authority.

10.2 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

22 million Shares (**Consideration Shares**).

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

The issue and allotment of the Consideration Shares to the EL2306 Vendor 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*

The 22 million Consideration Shares to be issued by the Company to the EL2306 Vendor form part consideration to be provided by the Company in consideration for its acquisition of the EL2306 Interest. The 22 million Shares will be issued at a notional value of \$0.10 per Share. The other consideration is the form of cash payable in instalments and in aggregate totals \$3,000,000.

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

The EL2306 Vendor

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

The Company will apply to the ASX to have the Shares to be issued to the EL2306 Vendor Officially Quoted and these Shares will rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the EL2306 Vendor in respect of the Shares issued to the EL2306 Vendor 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*

No funds will be raised as a result of the issue of the Shares to the EL2306 Vendor.

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

A voting exclusion statement is included at paragraph 3.6 of the Notice of Annual General Meeting (Section B).

11. Resolution 9 - Issue of Options to Sin Pyng "Tony" Teng and Resolution 10 - Issue of Options to Graham Kavanagh

11.1 Background

The Company is proposing to issue 1,000,000 Options to Sin Pyng "Tony" Teng (the subject of Resolution 9) and 1,000,000 Options to Graham Kavanagh (the subject of Resolution 10) in consideration of both Tony and Graham providing future service to the Company. Both Tony Teng and Graham Kavanagh are Directors of the Company (**Participating Directors**).

11.2 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, each of Tony Teng and Graham Kavanagh (in their capacity as Directors) is a related party of the Company.

Resolutions 9 and 10 relate to the proposed grant of Options to Tony Teng and Graham Kavanagh respectively, which constitutes a financial benefit that

requires Shareholder approval for the purposes of section 208 of the Corporations Act.

11.3 Information Requirements - Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

- (a) *The related parties to whom the proposed Resolutions would permit the financial benefit to be given and the nature of the financial benefit;*

Tony Teng and Graham Kavanagh are the related parties to whom Resolutions 9 and 10 would permit the financial benefit to be given. The financial benefit is 1,000,000 Options (see the table below). Resolutions 9 and 10 are not interdependent.

The proposed financial benefit to be given is the grant of 1,000,000 Options for no consideration to the Participating Directors.

The table below also sets out the amounts that will need to be paid to the Company by the Participating Directors if the Options are exercised.

Director	Number of Options	Amount to be paid on exercise of the Options (A\$)
Tony Teng	1,000,000	150,000
Graham Kavanagh	1,000,000	150,000
Total:	2,000,000	300,000

- (b) *The details of the financial benefit Including reasons for giving the type and quantity of the benefit*

The terms of the Options are set out in paragraph 11.5 of this Explanatory Memorandum.

The number of Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- the remuneration of the Directors;
- the extensive experience and reputation of Tony Teng and Graham Kavanagh within the mining industry;
- the current price of Shares;

- the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that the Participating Directors' overall remuneration is in line with market practice;
- attracting and retaining suitably qualified non-executive directors; and
- incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Whilst the Participating Directors are eligible to participate in the Company's employee share option plan (**ESOP**), the proposed issue of Options to each of the Participating Directors is made outside of the ESOP. However, the terms of the Options to be issued to the Participating Directors are identical to those issued under the ESOP.

(c) *Participating Directors current equity holdings in the Company*

Set out below are details of each of the Participating Directors' relevant interest in Shares and Options of the Company as at the date of this Notice:

Director	Number of Shares	Number of Options
Tony Teng	9,020,000	5,000,000
Graham Kavanagh	Nil	1,500,000
Total	9,020,000	6,500,000

(d) *Dilution effect of grant of Options on existing members' interests*

If passed, Resolutions 9 and 10 will give the Directors power to grant a total of 2,000,000 Options to the Participating Directors on the terms and conditions as set out in paragraph 11.5 to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 443,031,965 listed Shares and the following 83,148,015 unlisted Options on issue:

Security	Number	Exercise Price / Performance Hurdle	Expiry Date
Shares	443,031,965	Not Applicable	Not Applicable
Unlisted Options	40,110,715	\$0.055	18/1/2018
	14,800,000	\$030 Vesting condition share price must exceed \$0.50 on VWAP (5 days)	28/11/2019
	28,237,300	\$0.15	30/6/2019

If all the Options are granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 0.38%. The market price of the Company's Shares during the period of the Options will normally determine whether or not the Participating Directors exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.

(e) Participating Directors' total remuneration package

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period, as a result of the grant of the Options the subject of Resolutions 9 and 10, are as follows:

Director	Fee p.a. (A\$)	Value of Options (A\$)	Total Financial Benefit (A\$)
Tony Teng	109,140	35,254	144,394
Graham Kavanagh	36,000	35,254	71,254

The indicative option valuation of A35,254 is a theoretical valuation of each Option using Black - Scholes Model.

(f) Valuation of Options using Black - Scholes method

The Company's advisers have valued each parcel of Options to be granted to the Participating Directors using the Black - Scholes Model. The value of a parcel of 1,000,000 Options calculated by the Black - Scholes Model is a function of a number

of variables. The valuation of the \$35,254 has been prepared using the following assumptions:

Variable	Input
Share price	\$0.090
Exercise price	\$0.150
Risk Free Interest Rate	2.75%
Volatility	68%
Time (years to expiry)	3.8

The Company's advisers have calculated the value of each Incentive Option based on the following assumptions:

- they have based the underlying value of each Share in the Company on the ASX closing price of A\$0.090 on 26 September 2017;
- risk free rate of return – 2.75% (estimated, based on 10-year Government Bond rate); and
- they used a volatility of the Share price of 68% taking into account the early stage development of the Wabag Project and the low trading volumes in the Company's Shares.

Any change in the variables applied in the Black - Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

11.4 Directors' recommendation

(a) *Resolution 9: Issue of Options to Tony Teng*

Mr Graham Kavanagh and Mr Douglas Smith (who have no interest in the outcome of Resolution 9) recommend that Shareholders vote in favour of Resolution 9. Tony Teng declines to make a recommendation about Resolution 9 as he has a material personal Interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him or his nominee(s). The Board is not aware of any other Information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 9.

(b) *Resolution 10: Issue of Options to Graham Kavanagh*

Mr Tony Teng and Mr Douglas Smith (who have no interest in the outcome of Resolution 10) recommend that Shareholders vote in favour of Resolution 10. Graham Kavanagh declines to make a recommendation about Resolution 10 as he has a material personal Interest in the outcome of that particular Resolution as it relates to the proposed grant of Options to him or his nominee(s). The Board is not aware of any other Information that would reasonably be required by the Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 10.

11.5 **ASX Listing Rule 10.11 approval**

Pursuant to ASX Listing Rule 10.13, the following information is provided regarding Resolutions 9 and 10 and ASX Listing Rule 10.11 approval:

(a) **ASX Listing Rule 10.13.1:** *Names of allottee*

Sin Pyng "Tony" Teng and Graham Kavanagh

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

1,000,000 Options to Tony Teng and 1,000,000 Options to Graham Kavanagh
(Granted Options)

(c) **ASX Listing Rules 10.13.3:** *Date by which securities will be issued and allotted*

Subject to Shareholder approval being obtained to issue the Granted Options, the issue and allotment of the Options will occur on a date(s) is no later than one month after the date of this Annual General Meeting.

(d) **ASX Listing Rule 10.13.4:** *Issue price of securities*

Nil issue price per Granted Option. Each Granted Option has an exercise price of \$0.15.

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

- i) Each Granted Option has an exercise price of \$0.15 per Share;
- ii) Each Granted Option expires on 26 July 2021;
- iii) The total Granted Options shall be exercised over 3 periods of 12 months per period;
- iv) The rights under the Granted Options will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, including ASX Listing Rule 7.22.
- v) A holder of Granted Options has no right to participate in any new offering of securities by the Company without first exercising the Granted Option(s)

vi) The Granted Options will not be listed on the ASX. Upon the issue of the Shares on exercise of the Granted Options, the Company will apply to the ASX to have the Shares issued officially quoted and, subject to any ASX ruling regarding Restricted Securities, will rank equally with all other Shares on issue. In all other respects, the rights and entitlements in respect of the Shares to be issued on exercise of the Granted Options will be identical to the rights and entitlements of the holder of issued shares.

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

No funds will be raised by the issue of the Granted Options. Funds raised upon exercise of the Granted Options will be applied by the Company towards working capital purposes.

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

A voting exclusion statement in respect of Resolution 9 is included at paragraph 3.7 of the Notice of Annual General Meeting (Section B). A voting exclusion statement in respect of Resolution 10 is included at paragraph 3.8 of the Notice of Annual General Meeting

12. Resolution 11 – Extension of the Employee Share Option Plan

12.1 General

The Company's Employee Share Option Plan was established in 2011. The Employee Share Option Plan is designed to assist with the attraction, motivation and retention of relevant employees of the Company, align the interests of those employees and shareholders by matching rewards with the long term performance of the Company and, accordingly, drive the Company's improved performance.

The Company included a summary of the terms of the Employee Share Option Plan in the Company's initial public offering Prospectus dated 23 March 2011 prior to listing on the ASX on 2 September 2011. Accordingly, securities issued under the Employee Share Option Plan until 2 September 2014 were excluded from the Company's 15% capacity in ASX Listing Rule 7.1.

The Company obtained the approval of Shareholders for the Employee Share Option Plan under ASX Listing Rule 7.2, Exception 9 at its annual general meeting on 15 December 2014. Accordingly, the Company is permitted to issue securities under the Employee Share Option Plan to employees (except Directors) until 15 December 2017.

The Company seeks Shareholder approval for the purposes of ASX Listing Rule 7.2, Exception 9, to extend the Employee Share Option Plan for a period of three years from the date of the General Meeting.

Resolution 11 seeks to refresh Shareholder approval previously obtained under ASX Listing Rule 7.2, Exception 9 for a further three years so that securities issued pursuant to the Employee Share Option Plan are not included within the limit of 15% of issued shares under ASX Listing Rule 7.1 that can be issued without Shareholder approval.

The Company established the Employee Share Option Plan for a number of purposes and continues to believe that the Employee Share Option Plan is integral to the Company's financial performance for a number of reasons, including:

- (a) retaining and incentivising its key personnel;
- (b) attracting and retaining valued employees essential for the continued growth and development of the Company;
- (c) establishing a sense of ownership in the Company for the employees;
- (d) promoting and fostering loyalty and support amongst the employees for the benefit of both the employees and the Company;
- (e) enhancing the relationship between the Company and its employees for the long term mutual benefit of the parties; and
- (f) enabling the Company to attract high calibre individuals, who can bring expertise to the Company.

12.2 ASX Listing Rules

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

ASX Listing Rule 7.2 provides several circumstances where particular issues of securities are excluded from the calculation of the 15% limit under ASX Listing Rule 7.1, including issues under an employee incentive scheme if within three years before the date of issue, Shareholders approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1. The Employee Share Option Plan is an employee incentive scheme for the purposes of ASX Listing Rule 7.2, Exception 9.

The effect of Shareholder approval under this exception is that any issues of securities under the Employee Share Option Plan are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 7.1.

Approval under Listing Rule 7.2, (Exception 9) lasts for three years.

12.3 ASX Listing Rule 7.2, Exception 9 disclosure

In accordance with ASX Listing Rule 7.2, Exception 9:

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

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

- (i) All employees (full and part-time) any Director holding a salaried employment or office in, and consultants to the Company will be eligible to participate in the Employee Share Option Plan.
- (ii) The allocation of Options to each employee is at the discretion of the Board.
- (iii) If permitted by the Board, Options may be issued to an employee's nominee.
- (iv) Each Option is to subscribe for one fully paid ordinary share in the Company and will expire no more than 48 months from its date of issue. An Option is exercisable at any time from its date of issue or on the stipulated terms of the grant of Options.
- (v) Options will be issued for nil consideration. The exercise price of Options will be the amount determined by the Board. The total number of shares the subject of Options issued under the Employee Share Option Plan, when **aggregated with issues during the previous five years pursuant to the Employee Share Option Plan** and any other employee share plan, **must not exceed 5% of the Company's issued share capital.**
- (vi) If, prior to the expiry date of Options, an employee's employment is terminated where such termination has either been voluntary on the employee's part or otherwise has occurred without cause, the Options held by that person (or that person's nominee) must be exercised within 30 days after the termination (but prior to the expiry date of Options) otherwise they will automatically lapse.
- (vii) Except with the consent of the Board, Options may not be transferred and will not be quoted on or by ASX.
- (viii) Shares issued as a result of the exercise of Options will rank equally with all existing Shares in the capital of the Company.
- (ix) Optionholders may only participate in new issues of securities by first exercising their Options.
- (x) If there is a bonus share issue to the holders of shares, the number of shares over which an Option is exercisable will be increased by the number of shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (xi) If there is a pro rata issue (other than a bonus share issue) to the holders of shares, the exercise price of an Option will be reduced to take account of the effect of the pro rata issue.

(xii) If there is a reorganisation of the issued capital of the Company, unexercised Options will be reorganised in accordance with the ASX Listing Rules.

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

The Company has issued 14,800,000 Options under the Employee Share Option Plan since the date of the last approval on 15 December 2014. In addition, as per the ASX announcement dated 26 September 2017, a further 7,800,000 Options were issued in which 3,000,000 Options were granted to each of the directors Sin Pyng “Tony” Teng and Douglas Smith.

Previous issues of Options to Directors have been determined based on a combination of:

- (i) The cash remuneration of the Directors, given that the capital seed Company has and continues to pay Directors cash amounts below market rate as a means of maximising its available funds for operational matters;
- (ii) The reputation and experience of the directors and its desire to retain effective executives; and
- (iii) The share price of Shares at the relevant time.

(c) *Voting exclusion statement*

A voting exclusion statement is included at paragraph **Error! Reference source not found.** of the Notice of General Meeting.

13. Resolution 12 Issue of securities under the Employee Share Option Plan

13.1 General

The Company’s Employee Share Option Plan was established in 2011. The Employee Share Option Plan is designed to assist with the attraction, motivation and retention of relevant employees of the Company, align the interests of those employees and shareholders by matching rewards with the long term performance of the Company and, accordingly, drive the Company’s improved performance.

The Company included a summary of the terms of the Employee Share Option Plan in the Company’s initial public offering Prospectus dated 23 March 2011 prior to listing on the ASX on 2 September 2011.

The Company obtained the approval of Shareholders for the Employee Share Option Plan under ASX Listing Rule 7.2, Exception 9 at its annual general meeting on 15 December 2014. Accordingly, the Company is permitted to issue securities under the Employee Share Option Plan to employees (except Directors) until 15 December 2017.

The Company now proposes to issue securities under the Employee Share Option Plan to Directors.

Resolution 12 seeks to obtain Shareholder approval under ASX Listing Rule 10.14 for the issue of securities under the Employee Share Option Plan to Directors for a period of not more than 36 months from date of grant of Options or the date of the Annual General Meeting, whichever the earlier date.

13.2 ASX Listing Rules

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

The effect of Shareholder approval under this exception is that any issues of securities under the Employee Share Option Plan are treated as having been made with the approval of Shareholders for the purposes of Listing Rule 10.14.

Approval under Listing Rule 10.14 lasts for three years.

13.3 ASX Listing Rule 10.15A disclosure

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

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

Graham Kavanagh, Douglas Smith and Sin Pyng (Tony) Teng, all of whom are currently Directors of the Company.

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

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

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

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

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

Options issued under the Employee Share Option Plan since the last approval on 15 December 2014.

Graham Kavanagh	1,500,000
Sin Pyng Teng	5,000,000
Douglas Smith	2,000,000
Eric Kam	1,500,000
David Clark	400,000
Kok Chun Lim	400,000
Siew Hong Koh	4,000,000
Total:	14,800,000 Options

Option Exercise Price: \$0.30

Vesting condition: Company share price must exceed \$0.50 based on VWAP over a 5-day consecutive period.

Expiry: 28 November 2019

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

Graham Kavanagh, Douglas Smith and Sin Pyng (Tony) Teng.

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

A voting exclusion statement is included at paragraph 3.9 of the Notice of General Meeting (Section B).

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

Not applicable.

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

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

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

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

If Shareholders approve this resolution, the issue and allotment of the securities to Graham Kavanagh, Douglas Smith and Sin Pyng (Tony) Teng will occur no later than three years after the date of this Annual General Meeting.

14. Resolution 13 – Approval of the 10% placement facility

14.1 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 14.2(c), below.

14.2 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:

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

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 443,031,965 Shares and therefore, has capacity to issue:

- (i) 66,454,794 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 10, 44,303,196 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 14.2(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 14.2(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).

14.3 **ASX Listing Rule 7.1A**

The effect of Resolution 12 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 12 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).

14.4 **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 12 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.

Variable "A" in ASX Listing Rule 7.1A.2 <i>(subject to the assumptions below)</i>		Dilution		
		50% decrease in Issue Price \$0.05	Issue Price \$0.10	100% increase in Issue Price \$0.20
Current Variable A	10% voting dilution	44,303,197 Shares	44,303,197 Shares	44,303,197 Shares
443,031,965 Shares	Funds raised	\$2,215,160	\$4,430,320	\$8,860,639
50% increase in current Variable A	10% voting dilution	66,454,795 Shares	66,454,795 Shares	66,454,795 Shares
664,547,948 Shares	Funds raised	\$3,322,740	\$6,645,479	\$13,290,959
100% increase in current Variable A	10% voting dilution	88,606,393 Shares	88,606,393 Shares	88,606,393 Shares
886,063,930 Shares	Funds raised	\$4,430,320	\$8,860,639	\$17,721,279

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 \$0.10. The closing price of Shares on ASX on 6 October 2017 is \$0.097.

(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 13 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 2016 annual general meeting (**2016 AGM**).

Since the 2016 AGM:

- (i) the Company has issued 63,081,743 Equity Securities, representing 16.6% of the total number of Equity Securities on issue at the date of the 2016 AGM;
- (ii) the Company has issued the following Shares on the following terms:
 - (A) during December 2016;

Date of issue	14 December 2016	14 December 2016
Number issued	1,150,000	500,000
Type of equity	Shares	
Summary of terms	Shares issued ranked pari pasu with existing investors	
Names of persons who received Shares	Exercise of Options by various Optionholders	
Price	\$0.055	\$0.07
Discount to market	Not Applicable	
Total cash consideration	\$63,250.00	\$35,000.00
Use of cash consideration	Working Capital	
Amount of cash consideration spent	\$63,250	\$35,000

- (B) during January to March 2017.

Date of issue	20 January 2017	31 March 2017
Number issued	1,000,000	707,143
Type of equity	Shares	
Summary of terms	Shares issued ranked pari pasu with existing investors	
Names of persons who received Shares	Exercise of Options by various Optionholders	
Price	\$0.055	
Discount to market	Not Applicable	
Total cash consideration	\$55,000.00	\$38,892.87
Use of cash consideration	Working Capital	
Amount of cash consideration spent	\$55,000.00	\$38,892.87

(C) during May to June 2017.

Date of issue	12 May 2017	12 May 2017	5 June 2017	26 June 2017
Number issued	750,000	10,660,000	17,034,000	1,550,800
Type of equity	Shares		Shares	
Summary of terms	Shares issued ranked pari pasu with existing investors			
Names of persons who received Shares	Exercise of Options by Optionholder	Various sophisticated investors		
Price	\$0.055	\$0.10	\$0.10	\$0.10
Discount to market	Not Applicable	No		
Total cash consideration	\$41,250.00	\$1,066,000.00	\$1,703,400.00	\$155,080.00
Use of cash consideration	Working Capital	General working capital and meeting expenditure commitments for on-going exploration activities of Company's flagship project		
Amount of cash consideration spent	\$41,250.00	Pooled Funds		

(D) during August to October 2017.

Date of issue	9 August 2017	6 October 2017	6 October 2017
Number issued	7,984,800	19,245,000	2,500,000
Type of equity	Shares		
Summary of terms	Shares issued ranked pari pasu with existing investors		
Names of persons who received Shares	Various sophisticated investors		Exercise of Options by Optionholders
Price	\$0.10	\$0.10	\$0.055
Discount to market	No	No	Not Applicable
Total cash consideration	\$798,480.00	\$1,924,500.00	\$137,500.00
Use of cash consideration	General working capital and meeting expenditure commitments for on-going exploration activities of Company's flagship project		
Amount of cash consideration spent	Pooled Funds		

The Shares issued since the 2016 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 3.11 of the Notice of Annual General Meeting (Section C).

14.5 **Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 13. 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.



All Correspondence to:

- ✉ **By Mail:** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Sunday 26 November 2017.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/gmnagm2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.
If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

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

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:
Individual: This form is to be signed by the securityholder.
Joint Holding: where the holding is in more than one name, all the securityholders should sign.
Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEDT on Sunday 26 November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** www.votingonline.com.au/gmnagm2017
- 📠 **By Fax** +61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Gold Mountain Limited

ACN 115 845 942

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Gold Mountain Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the **Gold Mountain Limited** to be held at **Level 14, Australia Square, 264-278 George Street, Sydney NSW 2000 on Tuesday 28 November 2017 at 11:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 9-12, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 9-12 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 9-12). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

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

	FOR	AGAINST	ABSTAIN*		FOR	AGAINST	ABSTAIN*
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8 Issue of Shares to the EL2306 Vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Douglas Smith as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9 Issues of Options to Sin Pyng "Tony" Teng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Graham Kavanagh as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10 Issues of Options to Graham Kavanagh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Past issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11 Extension of the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 General placement of Shares to Placement Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12 Issue of Securities Under the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Shares and Options to August 2017 Placement Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13 Approval of the 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of Options to Promoters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017