

# **MALACHITE RESOURCES LIMITED**

ABN 86 075 613 268

## **NOTICE OF ANNUAL GENERAL MEETING**

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**Notice is hereby given of the eighteenth Annual General Meeting of the Company**

**At: PriceWaterhouseCoopers  
Darling Park  
UMINA Room, Level 11  
201 Sussex Street  
Sydney NSW 2000**

**On: Friday 28 November 2014 at 2.00 pm**

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## **BUSINESS**

### **1. Financial Report – Year Ended 30 June 2014**

To receive and consider the Financial Report of the Company and its controlled entities and the reports of the Directors and the Auditor for the financial year ended 30 June 2014.

### **2. Remuneration Report**

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

That the Remuneration Report for the year ended 30 June 2014 be adopted.

### **3. Re-election of Mr. Terry Cuthbertson as a Director**

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

That Mr. Terry Cuthbertson, who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.

### **4. Ratification of the issue of New Unsecured Convertible Notes**

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

That for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, approval be given in respect of the issue of 5 new unsecured convertible notes to the Noteholders in the class of persons identified in the Explanatory Notes together with the issue of shares upon conversion of these convertible notes on the terms and conditions set out in the Explanatory Notes.

### **5. Approval for the issue of 1 New Unsecured Convertible Note to Mr. Andrew McMillan**

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

That for the purposes of ASX Listing Rules 7.1 and 10.11 and for all other purposes, approval be given to the issue of 1 new unsecured convertible note to an associate of Mr. Andrew McMillan as set out in the Explanatory Notes together with the issue of shares upon conversion of the convertible note on the terms and conditions set out in the Explanatory Notes.

### **6. Ratification of Variation to Existing Unsecured Convertible Notes (previously approved by shareholders)**

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

That for the purposes of ASX Listing Rules 7.1 and 7.4 and for all other purposes, approval be given in respect of the variation of 24 unsecured convertible notes previously issued by the Company to various parties pursuant to Deeds of Extension and Variation entered into with each of these parties together with the issue of shares upon conversion of and in accordance with the terms of these convertible notes and as set out in the Explanatory Notes annexed to and forming part of this Notice of Meeting.

### **7. Approve the Variation of 1 Unsecured Convertible Note previously issued to Mr. Terry Cuthbertson**

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given in respect of the variation of 1 unsecured convertible notes previously issued by the Company to an associate of Mr. Terry Cuthbertson pursuant to a Deed of Extension and Variation entered into together with the issue of shares upon conversion of and in accordance with the terms of these convertible note and as set out in the Explanatory Notes annexed to and forming part of this Notice of Meeting.

**8. Approve the Variation of 1 Unsecured Convertible Note previously issued to Mr. Andrew McMillan**

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given in respect of the variation of 1 unsecured convertible notes previously issued by the Company to an associate of Mr. Andrew McMillan pursuant to a Deed of Extension and Variation entered into together with the issue of shares upon conversion of and in accordance with the terms of these convertible note and as set out in the Explanatory Notes annexed to and forming part of this Notice of Meeting.

**9. Ratify the previous issue of shares – Convertible Note Rollover Fees**

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

That, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the issue of 7,060,524 fully paid ordinary shares by the Company to the parties described in section 9 of the Explanatory Memorandum annexed to and forming part of this Notice of Meeting, be approved.

**10. Approve proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees**

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

That for the purposes of Listing Rules 10.11 of the Listing Rules of the Australian Securities Exchange and for all other purposes, approval be given in respect of the issue of 300,451 fully paid ordinary shares to be issued by the Company to an associate of Mr. Terry Cuthbertson as described in section 10 of the Explanatory Notes annexed to and forming part of this Notice of Meeting.

**11. Approve proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees**

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

That for the purposes of Listing Rules 10.11 of the Listing Rules of the Australian Securities Exchange and for all other purposes, approval be given in respect of the issue of 300,451 fully paid ordinary shares to be issued by the Company to an associate of Mr. Andrew McMillan as described in section 11 of the Explanatory Notes annexed to and forming part of this Notice of Meeting.

## **VOTING EXCLUSIONS**

### **RESOLUTION 2 – Remuneration Report:**

The Company will disregard any votes cast on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (KMP) (as defined in Section 9 of the Corporations Act) details of whose remuneration are included in the Remuneration Report;
- by or on behalf of a closely related party (as defined in Section 9 of the Corporations Act)( such as close family members and any controlled companies) of a member of the KMP; or
- as a proxy by a member of the KMP as at the date of the Meeting or any of their closely related parties,

unless the vote is cast:

- as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- by the Chair of the Meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

Important Notice for Resolution 2: If a Shareholder entitled to vote wishes to appoint the Chair of the Meeting as their proxy the Shareholder can direct the Chair to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box on the Proxy Form. If a Shareholder entitled to vote appoints the Chair as their proxy (or the Chair is appointed as a Shareholder's proxy by default) and the appointment does not specify how the Chair is to vote on Resolution 2, then, in accordance with the express authority contained in the Proxy Form, the Chair will vote, as proxy for that Shareholder, in favour of Resolution 2.

### **RESOLUTION 4 – Ratification of the issue of New Convertible Notes:**

The company will disregard any votes cast on Resolution 4 by:

- Participants in the New Convertible Note issue and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 4: The Chairman intends to vote all available proxies in favour of Resolution 4. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

### **RESOLUTION 5 – Approval for the issue of 1 New Convertible Note to Mr. Andrew McMillan:**

The company will disregard any votes cast on Resolution 5 by:

- Mr. Andrew McMillan; and
- any associate of Mr. Andrew McMillan.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 5: The Chairman intends to vote all available proxies in favour of Resolution 5. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to

exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

#### **RESOLUTION 6 – Ratification of Variations to Existing Unsecured Convertible Notes:**

The company will disregard any votes cast on Resolution 6 by:

- Holders of the Convertible Notes issued in 2013 and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 6: The Chairman intends to vote all available proxies in favour of Resolution 6. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

#### **RESOLUTION 7 – Approval of Variation of 1 Unsecured Convertible Note held by Mr. Terry Cuthbertson:**

The company will disregard any votes cast on Resolution 7 by:

- Mr. Terry Cuthbertson; and
- any associate of Mr. Terry Cuthbertson.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 7: The Chairman intends to vote all available proxies in favour of Resolution 7. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

#### **RESOLUTION 8 – Approval of Variation of 1 Unsecured Convertible Note held by Mr. Andrew McMillan:**

The company will disregard any votes cast on Resolution 8 by:

- Mr. Andrew McMillan; and
- any associate of Mr. Andrew McMillan.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 8: The Chairman intends to vote all available proxies in favour of Resolution 8. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

## **RESOLUTION 9 – Ratification of previous issue of Shares – Convertible Note Rollover Fees:**

The company will disregard any votes cast on Resolution 9 by:

- Holders of Convertible Notes to whom Rollover Fees were paid by the issue of shares and any other person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed; and
- any associate of any such person.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 9: The Chairman intends to vote all available proxies in favour of Resolution 9. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

## **RESOLUTION 10 – Proposed issue of Shares – Convertible Note Rollover Fees - Mr. Terry Cuthbertson:**

The company will disregard any votes cast on Resolution 10 by:

- Mr. Terry Cuthbertson; and
- any associate of Mr. Terry Cuthbertson.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 10: The Chairman intends to vote all available proxies in favour of Resolution 10. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

## **RESOLUTION 11 – Proposed issue of Shares – Convertible Note Rollover Fees - Mr. Andrew McMillan:**

The company will disregard any votes cast on Resolution 11 by:

- Mr. Andrew McMillan; and
- any associate of Mr. Andrew McMillan.

However, the Company need not disregard a vote if:

- 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
- 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.

Important Notice for Resolution 11: The Chairman intends to vote all available proxies in favour of Resolution 11. If you appoint the Chairman of the meeting as your proxy but do not want the Chairman to exercise the proxy in accordance with the Chairman's stated voting intention, you should give directions on how to vote on the resolution by marking the "For", "Against" or "Abstain" box at Step 2 of the Proxy Form.

## ENTITLEMENT TO VOTE

In accordance with the *Corporations Act 2001* (Cth) the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the meeting will be the entitlement of that person set out in the Register of Members of the Company at 7.00pm on 26 November, 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## VOTING BY PROXY

- A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than 2 proxies to attend and vote instead of the shareholder.
- Where 2 proxies are appointed the Proxy Form should specify the proportion, or the number of votes that the proxy may exercise. If the Proxy Form does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
- A proxy need not be a shareholder of the Company. The proxy appointed may be described in the Proxy Form by an office held, e.g. "the Chair of the Meeting".
- Proxy Forms must be signed by a shareholder or the shareholder's attorney or, if the shareholder is a corporation, must be under its common seal, or if it does not have one, by 2 directors or by a director and a company secretary, or if it is a proprietary company that has a sole director who is also the company secretary, by that director, or under hand of its attorney or duly authorised officer. If the Proxy Form is signed by a person who is not the registered holder of shares in the Company (i.e. under power of attorney or other authorisation), then the relevant authority (or a certified copy of such authority) must either have been exhibited previously to the Company or be enclosed with the Proxy Form.

To be effective, duly completed Proxy Forms (duly completed and executed) must be:

- received in person at: **Malachite Resources Limited**  
Suite 2, Level 10  
8-10 Loftus Street  
Sydney NSW 2000 Australia
- received by mail at: **Malachite Resources Limited**  
P O Box R1295, Royal Exchange NSW 1225, Australia
- sent by fax to fax number: **(02) 9475 0439** (+61 2 9475 0439 from overseas)

by 2.00 pm on **26 November, 2014**.

## **CORPORATE REPRESENTATIVES**

A body corporate that is a member, or that has been appointed as a proxy of a member, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment including the authority under which it is signed.

## **CHAIR'S VOTING INTENTIONS**

Subject to any applicable voting exclusions, the Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

## **ANNUAL REPORT**

Malachite Resources Limited will now make annual reports available online for shareholders. The default option for receiving annual reports is via the Company's website rather than in hard copy. You will not receive a hard copy unless you have requested a printed version.

The Annual Report for the Year Ending 30 June 2014 may be downloaded from the Company's website from the homepage: [www.malachite.com.au](http://www.malachite.com.au)

or by accessing the following link:

<http://www.malachite.com.au/irm/content/annual-reports.aspx?OriginalCategoryId=215>

By order of the Board  
**Andrew J Cooke**  
Company Secretary  
20 October 2014





# EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

## ITEM 1.

### Financial Report – Year Ended 30 June 2014

The *Corporations Act 2001* (Cth) (“Corporations Act”) requires the financial report (which includes the financial statements and the Directors’ declaration), the Directors’ report and the Auditor’s report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the Directors’ report or the Auditor’s report.

This item of business provides shareholders with a reasonable opportunity to ask questions concerning or make comments on the Company’s financial statements and reports for the year ended 30 June 2014, the Company’s performance generally and the management of the Company.

A representative of the Auditor will be attending the Annual General Meeting.

As a shareholder, you are entitled to submit a written question to the Auditor prior to the Annual General Meeting provided that the question relates to:

- the content of the Auditor’s report; or
- the conduct of the audit in relation to the Financial Report.

All written questions must be received by the Company no later than **14 November 2014**. All questions must be sent to the Company and may not be sent direct to the Auditor. The Company will then forward all questions to the Auditor.

The Auditor will answer written questions submitted prior to the Annual General Meeting.

The Auditor will also answer questions at the meeting from shareholders relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor’s report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

## RESOLUTION 2.

### Remuneration Report

The Directors’ report for the year ended 30 June 2014 contains a Remuneration Report which sets out the policy on remuneration of the Directors of the Company and specified executives of the Company.

The Company’s remuneration structure is designed to align executive and shareholder interests, retain personnel and generate long term value creation by providing employees with competitive remuneration and appropriate incentive to achieve project milestones.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory and does not bind the Directors of the Company. 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, excluding the CEO, will need to stand for re-election (a "Spill Resolution"). 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.

At the Company's 2013 annual general meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, a Spill Resolution cannot be put at this meeting.

Members attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### **RESOLUTION 3.**

#### **Re-election of Mr. Terry Cuthbertson as a Director**

Non-executive Director and Chairman, Age 64 – appointed as a Director 29 March 2012 and appointed as Chairman 26 July 2013.

Terry Cuthbertson is a Chartered Accountant and holds a Bachelor of Business Degree with extensive corporate finance expertise, having advised several businesses and government organizations in relation to mergers, acquisitions and financing. Formerly a Partner of KPMG Corporate Finance and NSW Partner in Charge of Mergers and Acquisitions, where he coordinated government privatisations, mergers, divestitures and public offerings on the ASX for the New South Wales practice. Terry is the former Group Finance Director of Tech Pacific Holdings Limited, which was one of the largest information technology distributors in Asia with annual turnover in 1999 of approximately \$2 billion and is a former Director of Tech Pacific Limited's businesses in Hong Kong, Singapore, India, Philippines, Indonesia and Thailand. He is Chairman of ASX listed My Net Fone Limited, Montec International Limited, Austpac Resources NL and South American Iron and Steel Corporation Limited. He is a non-executive director of ASX listed Mint Wireless Limited (stepped down as Chairman as of 14 April 2014) and iSentric Limited (formerly OMI Limited).

Mr. Cuthbertson retires in accordance with the terms of the Constitution of the Company and being eligible, offers himself for re-election. Given the size of the Board, if Mr. Cuthbertson is re-elected it is likely that he will serve as a Director for a further term of 3 years until he is next required to retire by rotation.

Mr. Cuthbertson has no relationships with the Company or with the other Directors of the Company which have a bearing on his re-election as a Director.

The Board supports the re-election of Mr. Cuthbertson as a Director of the Company.

### **RESOLUTIONS 4 - 11**

#### **Background to the Listing Rules that are the subject of this Notice of Meeting**

##### **ASX Listing Rule 7**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 allows for shareholders to retrospectively approve an issue of securities, provided that the issue was not in breach of ASX Listing Rule 7.1.

Resolutions 4 and 9 seek Shareholder approval pursuant to ASX Listing Rule 7.4.

The issue of the Notes considered by Resolutions 4 and of Shares considered by Resolution 9 did not breach ASX Listing Rule 7.1.

If the securities the subject of Resolutions 4 and 9 are treated as having been issued with shareholder approval pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities is restored. The Company does not presently propose to issue further securities without shareholder approval, however the Directors consider it prudent to retain the capacity to do so and accordingly seek shareholders approval of the issue of securities as set out in Resolutions 4 and 9.

Resolution 6 seeks shareholder approval pursuant to ASX Listing Rules 7.1 and 7.4 for the variation of the Notes previously issued to various Convertible Note holders together with the issue of shares upon conversion of the Notes.

### **ASX Listing Rule 10.11**

Shareholder approval pursuant to Listing Rule 10.11 is required for the issue of securities to a related party. An issue of securities that has shareholder approval pursuant to Listing Rule 10.11 is an exception to Listing Rule 7.1. As a result, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Resolutions 5, 7, 8, 10 and 11 seek shareholder approval in accordance with ASX Listing Rule 10.11.

## **RESOLUTION 4**

### **Ratification of the Issue of New Unsecured Convertible Notes**

Approval is sought pursuant to ASX Listing Rules 7.1 and 7.4 for the issue of 5 New Unsecured Convertible Notes (*Notes*) to each of the parties set out in the table below together with the issue of shares upon conversion of the Notes.

#### **Issue of Notes**

The Company provides the following information in relation to the issue of the Notes:

**(a) Number of securities**

The number of securities for which shareholder approval is being sought is 5 Notes.

**(b) Date of Issue**

The Notes were issued on or about 30 September 2014.

**(c) Consideration**

The Notes were issued at an issue price of \$50,000 each.

**(d) Terms of the securities issued**

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

### Number of Shares issued at a Conversion Price of \$0.015

By way of example, should the conversion price of \$0.015 apply, each Note may be converted into 3,333,333 shares in the Company.

The table below represents the total number of shares which would be issued on conversion of a Note for a given number of Notes where the conversion price is \$0.015:

Notes	Total Shares to be issued at a Conversion Price of \$0.015
1	3,333,333
2	6,666,666
3	9,999,999
4	13,333,332
5	16,666,665

### Examples of lower Conversion Price

The table below represents the total number of shares which are to be issued on conversion of a Note for a given number of Notes where the conversion price is \$0.0056 (being a 20% discount to a share price of \$0.007):

Notes	Total Shares to be issued at a Conversion Price of \$0.0056
1	8,928,571
2	17,857,142
3	26,785,713
4	35,714,284
5	44,642,855

The maturity date for the Notes is 5 April 2015.

Any Noteholder may, on giving at least 2 days' notice in writing to the Company, require the Company on or at any time after the Maturity Date to redeem any of the Noteholder's Notes which have not been converted. The Company may at any time following the Maturity Date, elect to repay all or any of the Notes which have not been converted.

Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter.

If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

#### **(e) Allottees**

The Notes were issued to sophisticated investors identified by the Board.

#### **(f) Use of Funds Raised**

The primary use of funds raised from the issue of these Notes was for working capital primarily relating to the ongoing development of the Lorena Gold project near Cloncurry, Queensland.

### **Recommendation**

The Board recommends that shareholders approve the issue of Notes as proposed by Resolution 4.

## RESOLUTION 5.

### **Approval for the issue of 1 New Unsecured Convertible Note to Mr. Andrew McMillan**

Approval is sought pursuant to ASX Listing Rules 10.13 for the issue of 1 New Unsecured Convertible Note (Note) together with the issue of shares upon conversion of the Note.

### **Issue of a Note to a Related Party**

The following information is provided in accordance with ASX Listing Rule 10.13:

#### **(a) Name of the person**

An associate of Mr Andrew McMillan.

#### **(b) Number of securities to be issued**

The total number of Notes for which shareholder approval is being sought is 1.

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

#### Number of Shares issued at a Conversion Price of \$0.015

Should the conversion price of \$0.015, the Note may be converted into 3,333,333 shares in the Company.

By way of example, should the conversion price of \$0.0056 (being a 20% discount to a share price of \$0.007), the Note may be converted into 8,928,571 shares in the Company.

#### **(c) Date of issue and allotment**

Subject to obtaining shareholder approval, the Company will issue the Convertible Note within one month of the date of this Meeting.

#### **(d) Issue price and terms of issue**

The issue price of each Note is \$50,000.

Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date. Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The maturity date for the Note is 5 April 2015.

Any Noteholder may, on giving at least 2 days' notice in writing to the Company, require the Company on or at any time after the Maturity Date to redeem any of the Noteholder's Notes which have not been converted. The Company may at any time following the Maturity Date, elect to repay all or any of the Notes which have not been converted.

Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter.

If the Notes are converted into ordinary shares in the capital of the Company, the resulting ordinary shares will rank equally in all respects with the Company's then existing fully paid ordinary shares.

**(e) Intended use of the funds raised**

The funds raised from the issue of this Note will be applied for working capital purposes primarily relating to the ongoing development of the Lorena Gold project near Cloncurry, Queensland.

**Chapter 2E of the Corporations Act 2001**

The proposed grant of Notes under Resolutions 5 to Mr. Andrew McMillan involves giving a financial benefit to related parties for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Andrew McMillan) believe that the issue of the Note to an associate of Mr. McMillan is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 4). Therefore the Company considers that the grant of the Notes comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for that purpose.

**Recommendation**

The Board (excluding Mr. Andrew McMillan) recommends that shareholders approve the proposed issue of a Note as proposed by Resolutions 5.

**RESOLUTION 6.**

**Approve the variation of and issue of shares pursuant to existing Convertible Notes (Notes)**

In addition to the Convertible Notes referred to in Resolutions 4 and 5 above the Company has previously issued 24 Convertible Notes for a total face value of \$1,200,000. The original Notes matured on 5 July 2014.

In its announcement to the ASX dated 30 September 2014 the Company advised that it had reached agreement with its Convertible Noteholders to extend the maturity date of the existing Notes.

Shareholders have previously approved the original issue of these Notes pursuant to ASX Listing Rules 7.1 and 7.4 together with the issue of shares upon conversion of these Notes at the last Annual General Meeting of the Company held on 21 November 2013.

On or about 30 September 2014 the Company finalised Deeds of Extension and Variation to Convertible Note Subscription Agreement (Deeds of Extension and Variation) with each of the Noteholders. The key terms of original Notes have now been varied as follows:

- The Maturity Date of the Notes is extended to 5 April 2015;
- Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date;
- Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion;

- Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter;
- The Company would pay each Noteholder a Rollover Fee of 1.75% of the Issue Price to be satisfied by the issue of Ordinary Shares at a 20% discount to the 30 day VWAP to 5 July 2014. 7,060,524 shares were issued on 9 October 2014 in respect of the Rollover Fees payable pursuant to this provision and are the subject of Resolution 9.

The remaining key terms of the Notes remain unchanged.

Approval is now being sought pursuant to ASX Listing Rules 7.1 and 7.4 for the variation of the 24 Notes previously issued together with the issue of shares upon conversion of the Notes and the issue of shares in accordance with the terms of the Notes.

The following information relates to the original Notes issued in 2013 as amended by the Deeds of Extension and Amendment on 30 September 2014:

**a) Number of Securities (Notes and number of shares they may convert into)**

The number of securities for which shareholder approval is being sought is 24 Notes.

Previously each note had a conversion price of a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion. Each Note now has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Company's share price has traded in the range of \$0.006 to \$0.008 over the three months prior to the preparation of this notice of meeting. In these circumstances, the Notes may convert at a price lower than \$0.015 being at a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

Accordingly, by way of example, the Notes may be converted into ordinary shares as illustrated below;

Notes	Total Shares to be issued at a Conversion Price of \$0.015	Total Shares to be issued at a Conversion Price of \$0.0056 (being a 20% discount to a price of \$0.007)
1	3,333,333	8,928,571
5	16,666,665	44,642,855
10	33,333,330	89,285,710
15	49,999,995	133,928,565
24	79,999,992	214,285,704

**b) Date of Issue**

The Notes were originally issued on or about 5 July 2013. Each of the Notes was varied by Deeds of Variation and Extension..

**c) Consideration**

The Notes were originally issued at an issue price of \$50,000 each.

**d) Terms of the Notes**

Each Note may be converted into ordinary shares in the capital of the Company at any time at the election of the Noteholder.

Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Maturity Date of the Notes is 5 April 2015

**e) Use of Funds Raised**

There will be no fresh funds raised arising out of the variation of the Notes which were originally issued in 2013. The funds raised from the original issue of the Notes in 2013 were primarily used for the development of the Lorena Gold project near Cloncurry, Queensland and for working capital purposes.

**f) Names of the Noteholders**

The Notes were originally issued in 2013 to sophisticated investors identified by the Board.

**Recommendation**

The Board recommends that shareholders approve Resolution 6.

**RESOLUTION 7.**

**Approve the variation of and issue of shares pursuant to an existing Convertible Note (Note) held by Mr. Terry Cuthbertson**

In addition to the Convertible Notes referred to in Resolutions 4, 5 and 6 above the Company has previously issued 1 Convertible Note for a total face value of \$50,000 to an associate of Mr. Terry Cuthbertson. The original Note matured on 5 July 2014.

In its announcement to the ASX dated 30 September 2014 the Company advised that it had reached agreement with its Convertible Noteholders, including Mr. Cuthbertson, to extend the maturity date of the Notes.

Shareholders have previously approved the original issue of this Note to Mr. Cuthbertson pursuant to ASX Listing Rule 10.11 together with the issue of shares upon conversion of these Notes at the last Annual General Meeting of the Company held on 21 November 2013.

On or about 30 September 2014 the Company finalised Deeds of Extension and Variation to Convertible Note Subscription Agreement (Deeds of Extension and Variation) with each of the Noteholders including Mr. Cuthbertson. The key terms of original Notes have now been varied as follows:

- The Maturity Date of the Notes is extended to 5 April 2015;
- Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date;
- Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion;
- Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter;
- The Company would pay each Noteholder a Rollover Fee of 1.75% of the Issue Price to be satisfied by the issue of Ordinary Shares at a 20% discount to the 30 day VWAP to 5 July 2014. 300,451 shares are to be issued to Mr. Cuthbertson (subject to shareholder approval) in respect of the Rollover Fees payable pursuant to this provision and are the subject of Resolution 10.

The remaining key terms of the Notes remain unchanged.



Approval is now being sought pursuant to ASX Listing Rules 10.11 for the variation of the 1 Note previously issued to an associate of Mr. Cuthbertson together with the issue of shares upon conversion of the Note.

The following information relates to the original Note issued in 2013 as amended by the Deeds of Extension and Amendment on 30 September 2014:

**a) The Name of the Noteholder**

The Note was originally issued in 2013 to Kore Management Services Pty Ltd <Cuthbertson Super Fund A/C> which is an associate of Mr. Cuthbertson.

**b) Number of Securities (Notes and number of shares they may convert into)**

The number of securities to be varied for which shareholder approval is being sought is 1 Note.

The Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Company's share price has traded in the range of \$0.006 to \$0.008 over the three months prior to the preparation of this notice of meeting. In these circumstances, the Notes may convert at a price lower than \$0.015 being at a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

Accordingly, by way of example, the Note may be converted into ordinary shares as illustrated below;

Notes	Total Shares to be issued at a Conversion Price of \$0.015	Total Shares to be issued at a Conversion Price of \$0.0056 (being a 20% discount to a price of \$0.007)
1	3,333,333	8,928,571

**c) Date of Issue**

The Note was originally issued to an associate of Mr. Cuthbertson on 12 December 2013 following shareholder approval at the Company's Annual General Meeting in 2013. Subject to shareholder approval, and new Note certificate will be issued within one month of the date of this meeting in accordance with the Deed of Variation and Extension entered into with Mr. McMillan on or about 30 September 2014.

**d) Consideration**

The Note was originally issued in 2013 at an issue price of \$50,000.

**e) Terms of the Notes**

Each Note may be converted into ordinary shares in the capital of the Company at any time at the election of the Noteholder.

Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Maturity Date of the Note is 5 April 2015

## **f) Use of Funds Raised**

The funds raised from the issue of the Note in 2013 were primarily used to the development of the Lorena Gold project near Cloncurry, Queensland and for working capital purposes. There will be no fresh funds raised arising out of the variation of the Note.

### **Chapter 2E of the Corporations Act 2001**

The proposed variation of 1 Note previously issued to an associate of Mr. Cuthbertson under Resolutions 7 involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Terry Cuthbertson) believe that the variation of a Note previously granted to an associate of Mr. Cuthbertson's is appropriate and reasonable in all circumstances, as this note is to be varied on the same terms and conditions other notes that were previously issued to third party sophisticated and professional investors (refer Resolution 6). Therefore the Company considers that variation of the Note comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for that purpose.

### **Recommendation**

The Board (excluding Mr. Terry Cuthbertson) recommends that shareholders approve the variation of the Note previously issued to an associate of Mr. Cuthbertson as proposed by Resolution 7.

## **RESOLUTION 8.**

### **Approve the variation of and issue of shares pursuant to an existing Convertible Note (Note) held by Mr. Andrew McMillan**

In addition to the Convertible Notes referred to in Resolutions 4, 5, 6 and 7 above the Company has previously issued 1 Convertible Note for a total face value of \$50,000 to an associate of Mr. Andrew McMillan. The original Note matured on 5 July 2014.

In its announcement to the ASX dated 30 September 2014 the Company advised that it had reached agreement with its Convertible Noteholders, including Mr. McMillan, to extend the maturity date of the Notes.

Shareholders have previously approved the original issue of this Note to an associate of Mr. McMillan pursuant to ASX Listing Rule 10.11 together with the issue of shares upon conversion of these Notes at the last Annual General Meeting of the Company held on 21 November 2013.

On or about 30 September 2014 the Company finalised Deeds of Extension and Variation to Convertible Note Subscription Agreement (Deeds of Extension and Variation) with each of the Noteholders including Mr. McMillan. The key terms of original Notes have now been varied as follows:

- The Maturity Date of the Notes is extended to 5 April 2015;
- Each Note may be converted into ordinary shares in the capital of the Company at the election of the Noteholder at any time up to the Maturity Date;
- Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion;

- Noteholders are entitled to interest at 15% per annum, payable quarterly in arrears on the last day of each quarter;
- The Company would pay each Noteholder a Rollover Fee of 1.75% of the Issue Price to be satisfied by the issue of Ordinary Shares at a 20% discount to the 30 day VWAP to 5 July 2014. 300,451 shares are to be issued to Mr. McMillan (subject to shareholder approval) in respect of the Rollover Fees payable pursuant to this provision and are the subject of Resolution 11.

The remaining key terms of the Notes remain unchanged.

Approval is now being sought pursuant to ASX Listing Rules 10.11 for the variation of the 1 Note previously issued to an associate of Mr. McMillan together with the issue of shares upon conversion of the Note.

The following information relates to the original Note issued in 2013 as amended by the Deeds of Extension and Amendment on 30 September 2014:

**a) The Name of the Noteholder**

The Note was originally issued in 2013 to Mr Andrew McMillan + Mrs Sally McMillan <The McMillan Super Fund A/C>. Mrs Sally McMillan is an associate of Mr. McMillan.

**b) Number of Securities (Notes and number of shares they may convert into)**

The number of securities to be varies for which shareholder approval is being sought is 1 Note.

The Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Company's share price has traded in the range of \$0.006 to \$0.008 over the three months prior to the preparation of this notice of meeting. In these circumstances, the Notes may convert at a price lower than \$0.015 being at a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

Accordingly, by way of example, the Note may be converted into ordinary shares as illustrated below;

Notes	Total Shares to be issued at a Conversion Price of \$0.015	Total Shares to be issued at a Conversion Price of \$0.0056 (being a 20% discount to a price of \$0.007)
1	3,333,333	8,928,571

**c) Date of Issue**

The Note was originally issued to an associate of Mr. McMillan on 12 December 2013 following shareholder approval at the Company's Annual General Meeting in 2013. Subject to shareholder approval, and new Note certificate will be issued within one month of the date of this meeting in accordance with the Deed of Variation and Extension entered into with Mr. McMillan on or about 30 September 2014.

**d) Consideration**

The Note was originally issued in 2013 at an issue price of \$50,000.

**e) Terms of the Notes**

Each Note may be converted into ordinary shares in the capital of the Company at any time at the election of the Noteholder.

Each Note has a conversion price which is the lesser of \$0.015 or a 20% discount to the 30 day volume weighted average price of the Company's shares at the time of conversion.

The Maturity Date of the Note is 5 April 2015

**f) Use of Funds Raised**

The funds raised from the issue of the Note in 2013 were primarily used to the development of the Lorena Gold project near Cloncurry, Queensland and for working capital purposes. There will be no fresh funds raised arising out of the variation of the Note.

**Chapter 2E of the Corporations Act 2001**

The proposed variation of 1 Note previously issued to an associate of Mr. McMillan under Resolutions 8 involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- c) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- d) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Andrew McMillan) believe that the variation of a Note previously granted to Mr. McMillan and an associate of Mr. McMillan's is appropriate and reasonable in all circumstances, as this note is to be varied on the same terms and conditions other notes that were previously issued to third party sophisticated and professional investors (refer Resolution 6). Therefore the Company considers that variation of the Note comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for that purpose.

**Recommendation**

The Board (excluding Mr. McMillan) recommends that shareholders approve the variation of the Note previously issued to Mr. McMillan and an associate of Mr. McMillan as proposed by Resolution 8.

**RESOLUTION 9.**

**Approval of Previous Issue of Shares – Convertible Notes Rollover Fees**

The Company issued 7,060,524 fully paid ordinary shares on 9 October 2014 in respect of Rollover Fees payable to certain Convertible Noteholders.

All of the shares being the subject of this resolution are ordinary fully paid shares which rank equally with all of the Company's existing ordinary fully paid up shares and are quoted on the ASX.

3,603,412 shares were issued as payment of Rollover Fees to the holders of Convertible Notes who agreed to extend their Convertible Notes to the Extended Maturity Date of 5 July 2014. This Rollover Fee was calculated as 1.75% of the Issue Price of each Note paid by the issue of Ordinary Shares at \$0.00583 being a 20% discount to the 30 day VWAP to 5 April 2014.

3,457,112 shares were also issued as payment of Rollover Fees to the holders of Convertible Notes who finalised Deeds of Extension and Variation to Convertible Note Subscription Agreement on or

about 30 September 2014 with the Company agreeing to extend the Maturity Date of their Notes to 5 April 2015. This Rollover Fee was calculated as 1.75% of the Issue Price of each Note paid by the issue of Ordinary Shares at \$0.00582 being a 20% discount to the 30 day VWAP to 5 July 2014.

No new funds were raised by the issue of these shares.

### **Recommendation**

The Board recommends that shareholders approve Resolution 9.

### **Resolution 10.**

#### **Proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees**

The Company proposes to issue 300,451 fully paid ordinary shares in respect of Rollover Fees payable to an associate of Mr. Terry Cuthbertson as a Convertible Noteholder.

The following information is provided in accordance with ASX Listing Rule 10.13:

#### **(a) Name of the person**

New shares will be issued to Kore Management Services Pty Ltd <Cuthbertson Super Fund A/C>

#### **(b) Maximum Number of securities to be issued**

The total number of shares to be issued for which shareholder approval is being sought is 300,451.

#### **(c) Date of issue and allotment**

Subject to obtaining shareholder approval, the Company will issue the shares within one month of the date of this Meeting.

#### **(d) Issue price and terms of issue**

150,142 shares are to be issued as payment of a Rollover Fee to an associate of Mr. Terry Cuthbertson as a Convertible Noteholder for agreeing to extend their Convertible Note to the Extended Maturity Date of 5 July 2014. This Rollover Fee is calculated as 1.75% of the Issue Price of his Note paid by the issue of Ordinary Shares at \$0.00583 being a 20% discount to the 30 day VWAP to 5 April 2014.

150,309 shares are also to be issued as payment of a Rollover Fee to an associate of Mr. Terry Cuthbertson as a Convertible Noteholder pursuant to a Deed of Extension and Variation to Convertible Note Subscription Agreement agreed with the Company on or about 30 September 2014 to extend the Maturity Date of their Note to 5 April 2015. This Rollover Fee is calculated as 1.75% of the Issue Price of his Note paid by the issue of Ordinary Shares at \$0.00582 being a 20% discount to the 30 day VWAP to 5 July 2014.

All of the shares being the subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and will be quoted on the ASX.

#### **(e) Intended use of the funds raised**

No new funds are to be raised by the issue of these shares.

## Chapter 2E of the Corporations Act 2001

The proposed issue of shares to Mr. Terry Cuthbertson involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- c) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- d) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Terry Cuthbertson) believe that the issue of the shares to an associate of Mr. Cuthbertson as payment of a Rollover Fee is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 9). Therefore the Company considers that the issue of shares comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for that purpose.

### Recommendation

The Board (excluding Mr. Terry Cuthbertson) recommends that shareholders approve the proposed issue of shares as proposed by Resolution 10.

### Resolution 11.

#### Proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees

The Company proposes to issue 300,451 fully paid ordinary shares in respect of Rollover Fees payable to an associate of Mr. Andrew McMillan as a Convertible Noteholder.

The following information is provided in accordance with ASX Listing Rule 10.13:

**(a) Name of the person**

New shares will be issued to Andrew McMillan and Sally McMillan <The McMillan Super Fund>

**(b) Maximum Number of securities to be issued**

The total number of shares to be issued for which shareholder approval is being sought is 300,451.

**(c) Date of issue and allotment**

Subject to obtaining shareholder approval, the Company will issue the shares within one month of the date of this Meeting.

**(d) Issue price and terms of issue**

150,142 shares are to be issued as payment of a Rollover Fee to an associate of Mr. Andrew McMillan as a Convertible Noteholder for agreeing to extend their Convertible Note to the Extended Maturity Date of 5 July 2014. This Rollover Fee is calculated as 1.75% of the Issue Price of his Note paid by the issue of Ordinary Shares at \$0.00583 being a 20% discount to the 30 day VWAP to 5 April 2014.

150,309 shares are also to be issued as payment of a Rollover Fee to an associate of Mr. Andrew McMillan as a Convertible Noteholder pursuant to a Deed of Extension and Variation to Convertible Note Subscription Agreement agreed with the Company on or about 30

September 2014 to extend the Maturity Date of their Note to 5 April 2015. This Rollover Fee is calculated as 1.75% of the Issue Price of his Note paid by the issue of Ordinary Shares at \$0.00582 being a 20% discount to the 30 day VWAP to 5 July 2014.

All of the shares being the subject of this resolution will be ordinary fully paid shares which will rank equally with all of the Company's existing ordinary fully paid up shares and will be quoted on the ASX.

**(e) Intended use of the funds raised**

No new funds are to be raised by the issue of these shares.

**Chapter 2E of the Corporations Act 2001**

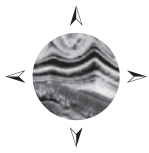
The proposed issue of shares to Mr. Andrew McMillan involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- b) prior shareholder approval is obtained for the giving of the financial benefit.

The Directors of the Company (excluding Mr. Andrew McMillan) believe that the issue of the shares to an associate of Mr. McMillan as payment of a Rollover Fee is appropriate and reasonable in all circumstances, as they are being issued on the same terms and conditions as those that were issued to third party sophisticated and professional investors (refer Resolution 9). Therefore the Company considers that the issue of shares comes within section 210 of the Corporations Act 2001, and shareholder approval is not required for that purpose.

**Recommendation**

The Board (excluding Mr. Andrew McMillan) recommends that shareholders approve the proposed issue of shares as proposed by Resolution 11.



malachite  
resources

**Malachite Resources Limited**  
ABN 86 075 613 268

**Lodge your vote:**



**By Mail:**

Malachite Resources Limited  
P O Box R1295  
Royal Exchange NSW 1225  
Australia

Alternatively you can fax your form to  
(within Australia) 02 9475 0439  
(outside Australia) +61 2 9475 0439

**For all enquiries call:**

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000



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

**Proxy Form**

For your vote to be effective it must be received by 2:00pm (Sydney time) Wednesday 26 November 2014

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



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

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



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

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Malachite Resources Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Malachite Resources Limited to be held at PriceWaterhouseCoopers, Darling Park, UMINA Room, Level 11, 201 Sussex Street, Sydney, NSW 2000 on Friday 28 November 2014 at 2:00pm and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Item 2** (except where I/we have indicated a different voting intention below) even though **Item 2** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Item 2** by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

BUSINESS	For	Against	Abstain		For	Against	Abstain
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Ratify the previous issue of shares – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr. Terry Cuthbertson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approve proposed issue of shares to Mr. Terry Cuthbertson – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of the issue of New Unsecured Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approve proposed issue of shares to Mr. Andrew McMillan – Convertible Note Rollover Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval for the issue of 1 New Unsecured Convertible Note to Mr. Andrew McMillan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Ratification of Variation to Existing Unsecured Convertible Notes (previously approved by shareholders)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approve the Variation of 1 Unsecured Convertible Note previously issued to Mr. Terry Cuthbertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approve the Variation of 1 Unsecured Convertible Note previously issued to Mr. Andrew McMillan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

MAR

999999A

Computershare +