

# ARUMA RESOURCES LIMITED

ACN 141 335 364

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

For the Annual General Meeting to be held  
on 30 November 2017 at 9:00am (Western Standard Time) at  
The Celtic Club  
48 Ord Street  
West Perth, Western Australia

*This is an important document. Please read it carefully.*

*If you are unable to attend the Meeting, please complete the form of proxy enclosed  
and return it in accordance with the instructions set out on that form.*

For personal use only

## TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of Aruma Resources Limited will be held at:

|                 |                                   |
|-----------------|-----------------------------------|
| The Celtic Club | Commencing                        |
| 48 Ord Street   | at 9:00am (Western Standard Time) |
| West Perth      | on Thursday                       |
| WA 6005         | 30 November 2017.                 |

### How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

#### Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9:00am (Western Standard Time).

#### Voting by Proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- Hand to the Company's registered office at 108 Forrest Street, Cottesloe, Western Australia, 6011;
- Facsimile to number +61 (8) 9226 3764;
- Post to Locked Bag 2000, Nedlands, Western Australia, 6909; or
- Email to [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au),

so that it is received not later 9:00am (WST) on 28 November 2017.

---

### Voting and Proxies

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the 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.
3. The Chairman of the Meeting will vote undirected proxies in favour of all Resolutions.  
  
In relation to Resolutions 1, 7, 8, 9 and 10 the proxy form expressly authorises the Chairman to exercise the proxy even though the resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Any undirected proxies held by a Director, any member of the Key Management Personnel or any of their Closely Related Parties (who are not the Chairman of the Meeting) will not be voted on Resolutions 1, 7, 8, 9 and 10. The voting exclusion statement for Resolutions 8, 9 and 10 addresses an exception to the undirected proxy position.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 28 November 2017 at 5:00pm (Western Standard Time).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

# ARUMA RESOURCES LIMITED

ACN 141 335 364

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Aruma Resources Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 30 November 2017 at 9:00am (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

### AGENDA

#### **BUSINESS**

##### **Financial Statements and Reports**

To receive and consider the annual financial report of the Company, the Directors' Report and the Independent Audit Report for the year ended 30 June 2017.

##### **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as set out in the Annual Report for the year ended 30 June 2017."*

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

##### **Voting Exclusion:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons (the "voter"):

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the voter may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair of the meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

##### **Resolution 2 - Re-election of Director – Mark Elliott**

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

*"That Mark Elliott, a Director appointed by the Directors as an additional Director and who retires in accordance with rule 7.3(f) of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

---

### **Resolution 3 - Re-election of Director – Paul Boyatzis**

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

*"That Paul Boyatzis, who retires by rotation in accordance with rule 7.3(a) of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

---

### **Resolution 4 – Ratification of Shares Issued to the Juglah Tenements Vendor**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, 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.

---

### **Resolution 5 – Ratification of Shares Issued to the Beowulf Tenements Vendor**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, 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.

---

### **Resolution 6 – Ratification of Prior Placement of Shares**

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 70,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, 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.

---

## Resolution 7 – Approval of Employee Incentive Scheme

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

*"That, for the purposes of Listing Rule 7.2 Exception 9(b) and for all other purposes Shareholders approve the issue of securities under the "Employee Incentive Plan" for a period of 3 years commencing on the date of this Meeting on the terms and conditions set out in the Explanatory Statement."*

### Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) 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
- (b) it is cast by the chair of 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.

### Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the Meeting; and
- (b) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

---

## Resolution 8 – Approval to Grant Options to Peter Schwann

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 4,000,000 Options to Peter Schwann or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."*

### Voting exclusion

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution 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 chair of 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.

### Restriction on proxy voting by Key Management Personnel or Closely Related Parties:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

---

### **Resolution 9 – Approval to Grant Options to Paul Boyatzis**

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 2,000,000 Options to Paul Boyatzis or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."*

#### **Voting exclusion**

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (e) 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
- (f) it is cast by the chair of 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.

#### **Restriction on proxy voting by Key Management Personnel or Closely Related Parties:**

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (e) the proxy is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of such a member; and
- (f) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the chair of the Meeting; and
- (f) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

---

### **Resolution 10 – Approval to Grant Options to Mark Elliott**

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

*"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant up to 1,000,000 Options to Mark Elliott or his nominee, to be issued on the terms and conditions set out in the Explanatory Statement."*

#### **Voting exclusion**

The Company will disregard any votes cast on this Resolution by the Directors of the Company and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (g) 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
- (h) it is cast by the chair of 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.

#### **Restriction on proxy voting by Key Management Personnel or Closely Related Parties:**

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (g) the proxy is either:
  - (i) a member of the Key Management Personnel for the Company; or
  - (ii) a Closely Related Party of such a member; and
- (h) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (g) the proxy is the chair of the Meeting; and
- (h) the appointment expressly authorises the chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Where the chair is the related party the subject of the Resolution or is an associate of the related party, the chair cannot cast undirected proxies in respect of the Resolution.

---

### **Resolution 11 – Appointment of Greenwich & Co as Auditor**

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

*"That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes Greenwich & Co Audit Pty Ltd, having been nominated as auditor and having received their consent in writing to act in the capacity of auditor, be appointed auditor of the Company."*

---

### **Resolution 12 – Approval of Additional Placement Capacity**

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue 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 Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and 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 any associates of those persons. However, the Company will not disregard a vote if 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, 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.

---

### **By order of the Board**



Phillip MacLeod  
Company Secretary  
Dated: 26 October 2017

## EXPLANATORY STATEMENT

---

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

---

### 1. Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders may view the Company annual financial report on its website at [www.arumaresources.com](http://www.arumaresources.com).

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2017;
- (b) ask questions and make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

---

### 2. Resolution 1 – Adoption of Remuneration Report

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2017.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

#### Voting Consequences

Under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

#### Previous Voting Results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

#### Proxy Restrictions

Pursuant to the Corporations Act, if you appoint a member of the Key Management Personnel (other than the Chair) or any Closely Related Party as your proxy to vote on this Resolution 1, **you must direct the proxy how they are to vote**. Where you do not direct such a person on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to Resolution 1.

If you appoint the Chair as your proxy, and you do not direct the Chair on how to vote on this Resolution 1, then by signing and returning the proxy form you are giving express authorisation for the Chair to vote all undirected proxies **FOR Resolution 1** even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.



---

### 3. Resolution 2 – Re-election of Director – Mark Elliott

Rule 7.3(f) of the Company's Constitution requires that a Director appointed by the Board must retire at the next AGM following their appointment and is eligible for re-election at that meeting. Dr Mark Elliott was appointed by the Board on 1 July 2017 and as required by the Constitution retires and offers himself for re-election as a Director at this meeting.

#### Qualifications

Dr Elliott (Dip App Geol, PhD FAICD, FAusIMM(CPGeo), FAIG) is a chartered practising geologist with expertise in multiple mineral commodities and energy sectors. Dr Elliott has a proven track record in corporate management and growing successful businesses in the resource sector.

#### Other Material Directorships

Dr Elliott is Non-Executive Chairman of Mako Gold Limited and a Non-executive director of HRL Holdings Limited and Nexus Minerals Limited.

#### Independence

Dr Elliott is a Non-Executive Director of the Company. The Board considers that Dr Elliott is an independent director.

#### Board Recommendation

The Directors (apart from Dr Elliott) recommend that Shareholders vote in favour of the election of Dr Elliott.

---

### 4. Resolution 3 – Re-election of Director – Paul Boyatzis

Pursuant to rule 7.3(a) of the Company's Constitution, Mr Paul Boyatzis, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Mr Boyatzis has been a Director since 6 January 2010 and was last re-elected on 23 November 2016.

#### Qualifications

Mr Boyatzis (B Bus, ASA, MSDIA, MAICD) has over 30 years' experience in the commercial, investment and equity markets, and in particular, with emerging growth companies within the resources and financial services sectors.

He has served as Chairman and director of a number of public and private companies globally.

#### Other Material Directorships

Mr Boyatzis is Non-Executive Chairman of Ventnor Resources Limited and Nexus Minerals Limited.

#### Independence

Mr Boyatzis is Non-Executive Chairman of the Company. The Board considers that Mr Boyatzis is an independent director.

#### Board Recommendation

The Directors (apart from Mr Boyatzis) recommend that Shareholders vote in favour of the election of Mr Boyatzis.

---

### 5. Resolution 4 – Ratification of Shares Issued to the Juglah Tenements Vendor

#### 5.1 General

On 10 May 2017, the Company announced to ASX that it had acquired the Juglah tenements (E25/534 and E25/558), that covered the southern extension of the Company's Slate Dam project 40km east of Kalgoorlie in Western Australia. The tenements were acquired from the vendor, Resource Holdings Pty Ltd, for \$20,000 and 10,000,000 Shares in the capital of the Company.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 10,000,000 Shares.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and provided that the previous issue did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% placement

capacity or any additional 10% placement capacity under Listing Rule 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 5.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 10,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration and at a deemed price of 1 cent each based on the closing price on the date of issue as they were issued as part consideration for the acquisition of exploration licences E25/534 and E25/558;
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued to Resource Holdings Pty Ltd who was not a related party of the Company; and
- (e) no funds were raised from the issue of the Shares.

---

## 6. Resolution 5 – Ratification of Shares Issued to the Beowulf Tenements Vendor

### 6.1 General

On 4 October 2017, the Company announced to ASX that it had agreed to acquire four granted exploration tenements (E28/1900, E28/1901, E28/2086 and E28/2087) that, along with applications for a further five exploration tenements, made up its Beowulf gold project 70km north-east of Kalgoorlie in Western Australia. The granted tenements were acquired for a total of \$60,000 and the issue of 5,000,000 Shares in the capital of the Company along with a 5% net smelter royalty.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 5,000,000 Shares.

A summary of Listing Rule 7.1 is outlined in section 5.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 6.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 5,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration and at a deemed price of 1.4 cents each based on the closing price on the date of issue as they were issued as part consideration for the acquisition of exploration licences E28/1901, E28/2086 and E28/2087;
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued to Christopher Bronton who was not a related party of the Company; and
- (e) no funds were raised from issue of the Shares.

---

## 7. Resolution 6 – Ratification of Prior Placement of Shares

### 7.1 General

On 18 October 2017, the Company announced to ASX a placement of 70 million Shares at a price of \$0.011 per Share to sophisticated and professional investors to raise \$770,000 (**Placement**) to be utilised for targeted exploration programs on the Company's existing gold projects, the evaluation of additional mineral resources projects as well as costs of the issues and general working capital.

On 25 October 2017, the Company issued 70,000,000 Shares and lodged an Appendix 3B and cleansing notice with ASX relating to that issue. 37,000,000 Shares were issued under Listing Rule 7.1 and 33,000,000 Shares were issued under Listing Rule 7.1A.

This Resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the 70,000,000 Shares.

A summary of Listing Rules 7.1 and 7.4 is outlined in section 5.1 above.

Having obtained Shareholder approval at the Company's Annual General Meeting on 23 November 2016, the Company has an additional 10% placement capacity under Listing Rule 7.1A.

Issues of securities made under Listing Rule 7.1A can also, after they have been made, be ratified under Listing Rule 7.4. This has the effect of refreshing the Company's ability to issue Shares within the additional 10% limit, and restoring the Company's ability to make placements within that limit without the need for shareholder approval.

By ratifying this issue, the Company will retain the flexibility to issue equity securities within the full capacities under each of Listing Rule 7.1 and Listing Rule 7.1A.

## 7.2 **Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the number of securities issued was:
  - (i) 37,000,000 Shares under Listing Rule 7.1; and
  - (ii) 33,000,000 shares under Listing Rule 7.1A;
- (b) the Shares were issued at a price of \$0.011 per Share;
- (c) the Shares are fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued to participants in the Placement, who were all sophisticated and professional investor clients of Armada Capital and Equities and State One Stockbroking. None of these subscribers are related parties of the Company; and
- (e) the funds raised from the Placement of Shares are to be used as set out in Section 7.1 above.

---

## 8. **Resolution 7 – Approval of Employee Incentive Scheme**

### 8.1 **Background**

The Board adopted this Employee Incentive Plan in October 2017 to enable the Company to issue options or performance rights to eligible participants being employees (full and part-time), directors, relevant contractors, casual employees and prospective parties in these capacities. No securities have been issued under this Employee Incentive Plan.

The Employee Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth and assist with reward and retention of eligible participants.

A copy of the Employee Incentive Plan will be made available for inspection at the Meeting. A summary of the Employee Incentive Plan is set out in Schedule 1.

The Employee Incentive Plan replaces the incentive plan that was the subject of Shareholder approval at the 2014 annual general meeting.

The current Employee Incentive Plan is in accordance with ASIC class order CO 14/1000 which expanded the class of financial products that could be offered (i.e. performance or incentive rights can be issued as well as shares and options) and expanded the categories of persons who can participate (i.e. certain contractors and casual employees).

### 8.2 **Regulatory Requirements**

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Employee Incentive Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the placement limits imposed by Listing Rule 7.1 on the number of securities that may be issued without shareholder approval. Listing Rule 7.2 exception 9(b) provides that Listing Rules 7.1 and 7.1A do not apply to an issue of securities under an employee incentive scheme that has been approved by shareholders and the issue of securities is within 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

If an offer is made to a Director to participate in the Employee Incentive Plan then separate Shareholder approval will need to be obtained.

### 8.3 **Recommendation**

The Board recommends that Shareholders approve the issue of securities under the Employee Incentive Plan. It will allow the Company to issue securities for the benefit of participants of the Employee Incentive Plan whilst preserving the Company's placement limits of issuing securities and provide flexibility in the manner in which the Employee Incentive Plan is managed.

---

## 9. Resolutions 8, 9 and 10 – Approval to Grant Options to Related Parties

Resolutions 8, 9 and 10 seek Shareholder approval so that the Company may grant Options under the Employee Incentive Plan (see Resolution 7) to each of the Directors Messrs Schwann, Boyatzis and Dr Elliott.

### 9.1 Chapter 2E of the Corporations Act – Related Party Transactions

The proposed grant of Options to Messrs Schwann and Boyatzis and Dr Elliott as Directors in each case is a financial benefit to a related party requiring Shareholder approval under the Corporations Act in the absence of a specified exception applying.

The following information is provided to Shareholders in relation to Resolutions 8, 9 and 10.

#### (a) The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given

The related parties are Peter Schwann (Resolution 8), Paul Boyatzis (Resolution 9) and Mark Elliott (Resolution 10) or their nominees.

#### (b) The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of up to:

- (i) 4,000,000 Options to Peter Schwann (or his nominee);
- (ii) 2,000,000 Options to Paul Boyatzis (or his nominee); and
- (iii) 1,000,000 Options to Mark Elliott (or his nominee).

The terms of the Options are set out in Schedule 2.

#### (c) Directors Recommendation and Basis of Financial Benefit

The Board currently consists of Peter Schwann, Paul Boyatzis and Mark Elliott.

By Resolutions 8, 9 and 10 the Company is proposing to grant Options to each of the Directors. In each case, the number of Options to be granted and the terms of the Options were negotiated by the Directors independent of the particular Director to be granted the Options.

The purpose of the Options is to provide each Director with added incentive to achieve the goals set by the Board and to add Shareholder value. The Options are issued as part of each Director's remuneration package and under the Employee Incentive Plan.

The Directors independent of the particular Director to be issued the Options in each case consider that the quantity of Options together with the terms of the Options in each case constitute an appropriate number to adequately incentivise the Director in light of that Director's skill and experience and their current remuneration as detailed below.

The Company notes that the issue of the Options to Paul Boyatzis and Mark Elliott as non-executive Directors may be contrary to guidelines for non-executive remuneration in recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

The independent Directors in each case recommend that Shareholders vote in favour of the Resolutions.

Mr Peter Schwann abstains from making a recommendation to Shareholders on Resolution 8 as he has a material personal interest in the outcome as the recipient of the Options.

Mr Paul Boyatzis abstains from making a recommendation to Shareholders on Resolution 9 as he has a material personal interest in the outcome as the recipient of the Options.

Dr Mark Elliott abstains from making a recommendation to Shareholders on Resolution 10 as he has a material personal interest in the outcome as the recipient of the Options.

(d) **Dilution**

The passing of Resolutions 8, 9 and 10 would have the effect of granting up to 7,000,000 Options.

If any of the Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the 7,000,000 Options were exercised into Shares, the effect would be to dilute the shareholding of the existing Shareholders by approximately 1.4% based on the total number of Shares on issue at the date of this Notice being 436,820,317.

The actual dilution will depend on the extent of further equity raised by the Company and whether any Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The remuneration received by Peter Schwann is \$200,000 per annum as Managing Director plus any statutory superannuation entitlement (currently 9.5% per annum).

The remuneration received by Paul Boyatzis (or his nominees) is \$54,000 per annum as a Non-Executive Chairman's fee.

The remuneration received by Mark Elliott is \$30,000 per annum as a Director's fee.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Schwann and Boyatzis and Dr Elliott and their associates have the following relevant interest in securities of the Company.

| Name          | Shares     | Options exercisable at 4.2 cents each expiring 27 October 2017 |
|---------------|------------|--|
| Peter Schwann | 12,879,211 | 2,000,000  |
| Paul Boyatzis | 17,528,211 | 1,000,000  |
| Mark Elliott  | -          | -  |

(g) **Trading History**

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

|               | Date   | Closing Price |
|---------------|--|---------------|
| Highest Price | 12 October 2017                                | 1.6 cents     |
| Lowest Price  | 27 and 28 July 2017; 1, 2, 3 and 9 August 2017 | 0.6 cents     |
| Latest Price  | 25 October 2017                                | 1.4 cents     |

(h) **Valuation of Options**

The Options will not be quoted on ASX.

The Company has valued the Options to be granted to the Directors or their nominees using the Black-Scholes method.

The following assumptions have been made regarding the inputs required for the option pricing module:

| Input                                |                 | Note |
|--------------------------------------|-----------------|------|
| Number of options to related parties | 7,000,000       |      |
| Underlying security spot price       | 1.4 cents       | 1    |
| Exercise price                       | 2.1 cents       | 2    |
| Dividend rate                        | Nil             | 3    |
| Volatility rate                      | 138.6%          | 4    |
| Risk free rate                       | 2.05%           | 5    |
| Expiry Date                          | 25 October 2020 | 6    |

- Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on the valuation date of 25 October 2017 which was 1.4 cents.
- Note 2 The exercise price is 150% of the volume weighted average closing price for the 5 trading days prior to date of this Meeting. This example uses 150% of the closing price.
- Note 3 As at the date of the valuation, the Company had not forecast any future dividend payments. For the purposes of the valuation it is therefore assumed that the Company's share price is "ex-dividend", If dividend payments were forecast, the value of the Options would be reduced.
- Note 4 A volatility rate of 138.6% has been adopted. This rate has been calculated by reference to the closing price volatility for the Shares of the Company for the previous two years.
- Note 5 The risk free rate is 2.05% based on the current Reserve Bank Treasury Bond rates.
- Note 6 The Options expire 3 years from the date of grant being the date of this Meeting. For the purposes of this valuation an Expiry Date of 25 October 2020 has been used.

Based on the above assumptions the Options proposed to be issued to Directors have been valued as follows:

| Number and Value of Options |  |
|-----------------------------|--|
|                             | Options  |
| Peter Schwann               | 4,000,000 Options – 1.02 cents per Option (total value - \$40,815) |
| Paul Boyatzis               | 2,000,000 Options – 1.02 cents per Option (total value - \$20,407) |
| Mark Elliott                | 1,000,000 Options – 1.02 cents per Option (total value - \$10,203) |

(i) **Other Information**

The Directors do not consider that there are opportunity costs to the Company or benefits foregone by the Company in granting the Options.

For accounting purposes, the Options will be recognised as an expense.

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 8, 9 and 10.

## 9.2 Listing Rule 10.14

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

Approval pursuant to Listing Rule 7.1 is not required in order to issue securities to Directors under Resolutions 8, 9 and 10 as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the securities to Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Under Resolutions 8, 9 and 10, the Company seeks approval from Shareholders for the issue of Options to Peter Schwann, Paul Boyatzis and Mark Elliott as Directors who are each related parties of the Company.

For the purposes of Listing Rule 10.15, the following information is provided:

- (a) The Options will be granted to Peter Schwann (Resolution 8), Paul Boyatzis (Resolution 9), and Mark Elliott (Resolution 10) or their nominees as Directors.
- (b) The maximum number of securities the Company will grant is 7,000,000 Options being:
  - 4,000,000 Options to Peter Schwann (or his nominees);
  - 2,000,00 Options to Paul Boyatzis (or his nominees); and
  - 1,000,000 Options to Mark Elliott (or his nominees).
- (c) The Options will have an issue price of nil.
- (d) No securities have to date been issued under the Employee Incentive Plan as the Employee Incentive Plan has been adopted by the Board as a new plan in October 2017. It replaces an existing employee incentive scheme the subject of shareholder approval at the 2011 and 2014 annual general meetings.
- (e) All the Directors (being Peter Schwann, Paul Boyatzis and Mark Elliott) are entitled to participate in the Employee Incentive Plan.
- (f) No loans will be provided to Directors in respect of the issue of the Options.
- (g) The Options will be granted no later than 12 months after the date of Shareholder approval.

---

## 10. Resolution 11 – Appointment of Greenwich & Co as Auditor

Nexia Perth Audit Services Pty Ltd (**Nexia**), the Company's current auditor, has given notice of their intention to resign as auditor of the Company (under section 329 (5) of the Corporations Act) with effect from the conclusion of this Meeting and subject to receipt of the consent of ASIC and Shareholder approval of this Resolution for the appointment of Greenwich & Co Audit Pty Ltd (**Greenwich & Co**) as auditor.

Subject to ASIC consenting to the resignation of Nexia and Nexia submitting a resignation to the Company, it is proposed that the Company appoint Greenwich & Co as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for the appointment of Greenwich & Co as the Company's auditor. A copy of this nomination is attached to this Notice as Annexure A.

Greenwich & Co has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution.

If this Resolution is passed, the appointment of Greenwich & Co as the Company's auditor will take effect at the close of this Meeting.

---

## 11. Information Relating to Resolution 12 – Approval for Additional Placement Capacity

### 11.1 General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12-month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12-month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

## 11.2 Requirements of ASX Listing Rule 7.1A

### (a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. With a market capitalisation of approximately \$6 million based on a Share price of 1.4 cents, the Company is an eligible entity.

### (b) Shareholder approval

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting.

### (c) Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX being fully paid ordinary Shares. The Company also has unquoted Options on issue.

### (d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(AxD)-E$$

|   |  |
|---|--|
| A | <p>The number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> <li>• plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;</li> <li>• plus the number of partly paid shares that became fully paid in the 12 months;</li> <li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under ASX Listing Rules 7.1 or 7.4;</li> <li>• less the number of fully paid shares cancelled in the 12 months.</li> </ul> |
| D | 10%  |
| E | <p>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 shareholders under ASX Listing Rules 7.1 or 7.4.</p>   |

### (e) Interaction between ASX Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under ASX Listing Rule 7.1A is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company has 436,820,317 Shares on issue as at the date of this Notice. If this Resolution is passed, the Company will be permitted to issue, a maximum of (as at the date of this Notice):

- 65,523,048 Equity Securities under ASX Listing Rule 7.1; and
- 43,682,032 Equity Securities under ASX Listing Rule 7.1A.



The actual number of Equity Securities that the Company will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Company to issue securities under ASX Listing Rule 7.1A without using the Company's placement capacity under ASX Listing Rule 7.1.

### 11.3 Information for Shareholders as required by ASX Listing Rule 7.3A

#### (a) Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

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

If this Resolution is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

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

The table also shows:

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

| Variable 'A' in ASX Listing Rule 7.1A.2                   |                     | Dilution                    |                   |                              |
|---|---------------------|-----------------------------|-------------------|------------------------------|
|   |                     | 0.7 cents                   | 1.4 cents         | 2.8 cents                    |
|   |                     | 50% decrease in Issue Price | Issue Price       | 100% increase in Issue Price |
| Current Variable A<br>436,820,317 Shares                  | 10% Voting Dilution | 43,682,031 Shares           | 43,682,031 Shares | 43,682,031 Shares            |
|   | Funds raised        | \$305,774                   | \$611,548         | \$1,223,097                  |
| 50% increase in current Variable A<br>655,230,475 Shares  | 10% Voting Dilution | 65,523,047 Shares           | 65,523,047 Shares | 65,523,047 Shares            |
|   | Funds raised        | \$458,661                   | \$917,323         | \$1,834,645                  |
| 100% increase in current Variable A<br>873,640,634 Shares | 10% Voting Dilution | 87,364,063 Shares           | 87,364,063 Shares | 87,364,063 Shares            |
|   | Funds raised        | \$611,548                   | \$1,223,097       | \$2,446,194                  |

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options are exercised into Shares before the date of the issue of the Equity Securities.
- 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 Additional Placement Capacity, based on that Shareholder's holding at the date of the 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 issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is 1.4 cent, being the closing price of the Shares on ASX on 18 October 2017.

The Company's ability to issue securities under ASX Listing Rule 7.1A is in addition to its ability to issue securities under ASX Listing Rule 7.1.

(c) **Placement Period**

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 30 November 2017 (the date of this Meeting) and expires on the earlier of:

- 30 November 2018, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking) (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

(d) **Purposes for which the new Equity Securities may be issued**

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

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated with such acquisitions), continued expenditure on the Company's current assets and operations and for general working capital; or
- non-cash consideration for acquisition of new resources, assets, investments (including expenses associated with such acquisitions) or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) **Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments, then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

On 23 November 2016, the Company received Shareholder approval for the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting as at the date of this Notice (that is, since 30 November 2016) is 85,000,000 Shares. The total number of Equity Securities on issue at 30 November 2016 was 351,820,317 Shares and 7,125,000 Options. The total number of Equity Securities issued in the 12 months since 30 November 2016 is 23.7% of the total number of Equity Securities on issue at 30 November 2016.
- The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

|  |   |
|--|---|
| Date of issue:                               | 15 May 2017.  |
| Number of Equity Securities:                 | 10,000,000 Shares.  |
| Summary of terms:                            | Fully paid ordinary shares  |
| Basis on which recipients were determined:   | Shares issued to the vendor of exploration licences E25/534 and E25/558 as part consideration for the purchase as announced on 10 May 2017.   |
| Price:                                       | The Shares were issued for no cash consideration.   |
| Discount to market price:                    | Not applicable.   |
| Current value of the non-cash consideration: | The Company has valued the Shares as at 25 October 2017 at 1.4 cents per Share using a quoted market price valuation as the Shares are listed. Therefore, the current value of the 10,000,000 Shares is \$140,000 |

|  |   |
|--|---|
| Date of issue:                               | 25 October 2017.  |
| Number of Equity Securities:                 | 5,000,000 Shares.   |
| Summary of terms:                            | Fully paid ordinary shares  |
| Basis on which recipients were determined:   | Shares issued to the vendor of exploration licences E228/1901, E28/2086 and E28/2087 as part consideration for the purchase as announced on 4 October 2017.   |
| Price:                                       | The Shares were issued for no cash consideration.   |
| Discount to market price:                    | Not applicable.   |
| Current value of the non-cash consideration: | The Company has valued the Shares as at 25 October 2017 at 1.4 cents per Share using a quoted market price valuation as the Shares are listed. Therefore, the current value of the 5,000,000 Shares is \$70,000 |

|  |   |
|--|---|
| Date of issue:                             | 25 October 2017.  |
| Number of Equity Securities:               | 70,000,000 Shares.  |
| Summary of terms:                          | Fully paid ordinary shares  |
| Basis on which recipients were determined: | Placement made to sophisticated and professional investor clients of Armada Capital and Equities and State One Stockbroking.  |
| Price:                                     | 1.1 cents per Share.  |
| Discount to market price:                  | The shares were issued at a discount of 0.3 cents to the closing market price of 1.4 cents.   |
| Total cash consideration received:         | \$770,000   |
| Amount of cash consideration spent:        | Nil   |
| Intended use for remaining amount of cash: | Funds raised will be for targeted exploration programs on the Company's existing gold projects, the evaluation of additional mineral resources projects as well as costs of the issues and general working capital. |

(g) **Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 12. Enquiries

Shareholders may contact Phil MacLeod on (+ 61 8) 9321 0177 if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

In the Notice and this Explanatory Statement, the following expressions have the following meanings:

"**Additional Placement Capacity**" means the capacity to issue Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.

"**Annual General Meeting and Meeting**" means the meeting convened by this Notice.

"**ASX**" means the ASX Limited (ABN 98 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" or "**Chair**" means the chairman of the Company.

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

"**Company**" or "**Aruma Resources**" means Aruma Resources Limited (ACN 141 335 364).

"**Constitution**" means the constitution of the Company.

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

"**Directors**" mean the directors of the Company from time to time.

"**Employee Incentive Plan**" means the Employee Incentive Plan with the terms summarised in Schedule 1.

"**Equity Securities**" has the same meaning as in the Listing Rules.

"**Explanatory Statement**" means this Explanatory Statement.

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to acquire a Share.

"**Optionholder**" means a holder of an Option.

"**Placement Period**" means the period during which Shareholder approval under Listing Rule 7.1A is valid.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of shares in the Company.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.

## SCHEDULE 1

### SUMMARY OF TERMS OF EMPLOYEE INCENTIVE PLAN (Resolution 7)

|  |  |
|--|--|
| <b>Purpose</b>   | The purpose of the Employee Incentive Plan is to provide an incentive for eligible participants to participate in the future growth of the Company and to offer any of options or performance rights to assist with reward, retention, motivation and recruitment of eligible participants.  |
| <b>Eligible Participants</b>   | Eligible participants are a full or part-time employee, or a director of the Company or a subsidiary, relevant contractors and casual employees and prospective parties in these capacities (" <b>Eligible Participants</b> ").  |
| <b>Offers</b>  | Subject to any necessary Shareholder approval, the Board may offer options or performance rights to Eligible Participants for nil consideration.   |
| <b>Expiry Date</b>   | The expiry date of any options or performance rights will be determined by the Board.  |
| <b>Vesting Conditions and Lapse</b>  | <p>An option or performance right may only be exercised after it has vested and before its expiry date. The Board may determine the conditions upon the vesting of the options or performance rights at its discretion. By way of example, the Board may impose Share price and/or continuous service vesting hurdles.</p> <p>An option or performance right lapses upon various events including a vesting condition not being satisfied, a participant ceasing to be an Eligible Participant (except for certain matters such as death or permanent disablement) and upon misconduct by a participant.</p> |
| <b>Shares issued on vesting</b>  | Each option or performance right entitles the holder to one fully paid ordinary share on exercise or vesting.  |
| <b>Transferability and quotation</b>   | An option or performance right may not be transferred without the prior written approval of the Board or by force of law. Quotation of the options or performance rights on the ASX will not be sought. However, the Company will apply for official quotation of Shares issued on the exercise of the options or vesting of the performance rights.   |
| <b>No voting or dividend rights</b>  | The options or performance rights are personal and do not confer any entitlement to attend or vote at meetings, any entitlement to dividends or any entitlement to participate in any return of capital unless the options or performance rights are vested and the underlying Shares have been issued.  |
| <b>No participation rights</b>   | The options or performance rights do not entitle the holder to participate in the issue of securities unless the options or performance rights are exercised or vested and Shares have been issued before the record date for determining entitlements.  |
| <b>Limitation on number of securities</b>  | Securities to be issued under the Employee Incentive Plan when aggregated with the number of Shares issued during the previous 5 years under any employee incentive scheme of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.   |
| <b>Administration of the Employee Incentive Plan</b>                                       | The Employee Incentive Plan will be administered under the directions of the Board and the Board may determine procedures for the administration of the Employee Incentive Plan as it considers appropriate.   |
| <b>Operation</b>   | The operation of the Employee Incentive Plan is subject to the Listing Rules and the Corporations Act.   |
| <b>Application of Subdivision 83A-C of the <i>Income Tax Assessment Act 1997 (Cth)</i></b> | Subdivision 83A-C (deferred inclusion of gain in assessable income) of the <i>Income Tax Assessment Act 1997 (Cth)</i> applies to the Employee Incentive Plan and holders of securities issued under the Employee Incentive Plan may agree to a restriction period for the disposal or transfer of the securities including any underlying securities.   |

## SCHEDULE 2

### TERMS AND CONDITIONS OF OPTIONS TO DIRECTORS (Resolutions 8, 9 and 10)

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 November 2020 ("**Expiry Date**"). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The exercise price of the Options is 150% of the 5 day volume weighted average closing price of Shares prior to the date of the Meeting.
4. The Options will not be listed on ASX and may only be transferred with the consent of the Board of the Company.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date ("**Exercise Date**").
6. Within 15 Business Days after the later of the following:
  - (i) the Exercise Date; and
  - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,but in any case no later than 20 Business Days after the Exercise Date, the Company will:
  - (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
  - (iv) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
7. Shares issued on the exercise of the options rank equally with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested, if applicable) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

**ANNEXURE A**

**LETTER OF NOMINATION OF AUDITOR**

16 October 2017

The Chairman  
Aruma Resources Limited  
Level 1  
6 Thelma Street  
West Perth WA 6005

Dear Sir

Nomination of Auditor

We, Clandestine Pty Ltd, being a shareholder of Aruma Resources Limited, hereby nominate Greenwich & Co Audit Pty Ltd of Level 2, 35 Outram Street, West Perth, Western Australia to be appointed as auditor of Aruma Resources Limited.

We consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting for the 2017 Annual General Meeting of Aruma Resources Limited as required by section 328B(3) of the Corporations Act.

Yours faithfully



Gary Elwell  
Director



# ARUMA RESOURCES LIMITED

ACN 141 335 364  
**PROXY FORM**

I/We

|  |
|--|
|  |
|  |

of

being a shareholder of Aruma Resources Limited and entitled to attend and vote hereby appoint:

|  |
|--|
|  |
|--|

the Chair of the Meeting

**OR**

|  |
|--|
|  |
|--|

*(Mark box with an X)*

*(Insert the name of the person (or body corporate) you are appointing if this person is someone other than the Chair of the Meeting. Do not insert your own name.)*

or failing attendance at the Meeting of the person named, or if no person is named, the Chair of the Meeting as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as the proxy sees fit at the Meeting of Aruma Resources Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 30 November 2017 at 9:00am (WST) and at any adjournment thereof.

**Important for Resolutions 1 and 7 to 10**

If you appoint a member of the Company's Key Management Personnel (other than the Chairman of the Meeting) or a Closely Related Party of a member of the Company's Key Management Personnel as your proxy, and you do not direct your proxy how to vote in respect of Resolutions 1 and 7 to 10 your proxy will NOT cast your vote on these Resolutions and your votes will not be counted.

If you appoint the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote in respect of Resolutions 1 and 7 to 10 your vote will be cast FOR this Resolution, and you hereby expressly authorise the Chairman of the Meeting to exercise your proxy even though Resolutions 1 and 7 to 10 are connected directly or indirectly with the remuneration of the members of the Company's Key Management Personnel. However, where the Chair is the related party the subject of any of Resolutions 8, 9 and 10 or is an associate of the related party, the Chair will be excluded from voting undirected proxies.

**IMPORTANT NOTES**

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.** If the Chair of the Meeting is your proxy (or becomes your proxy by default) and you do not mark a voting box for any of the items of business then by signing and returning this Proxy Form you will be expressly authorising the Chair to exercise your proxy in respect of the relevant items. If you appoint the Chair of the Meeting as your proxy you can direct him/her to vote for or against or to abstain from voting on the items by marking the appropriate box below.

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

|               |   | FOR                      | AGAINST                  | ABSTAIN                  |
|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1  | Adoption of Remuneration Report                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2  | Re-election of Director – Mark Elliott                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3  | Re-election of Director – Paul Boyatzis                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4  | Ratification of Shares Issued to Juglah Tenements Vendor  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5  | Ratification of Shares Issued to Beowulf Tenements Vendor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6  | Ratification of Prior Placement of Shares                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7  | Approval of Employee Incentive Scheme                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8  | Approval to grant Options to Peter Schwann                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 9  | Approval to grant Options to Paul Boyatzis                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 10 | Approval to grant Options to Mark Elliott                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 11 | Appointment of Greenwich & Co as Auditor                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 12 | Approval of Additional Placement Capacity                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

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

Please return this proxy form to the Company Secretary, Aruma Resources Limited, in accordance with the accompanying instructions.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**Signature of Member(s):**

**Individual or Member 1**

**Member 2**

**Member 3**

|  |
|--|
|  |
|--|

|  |
|--|
|  |
|--|

|  |
|--|
|  |
|--|

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

For personal use only

## Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: 108 Forrest Street, Cottesloe, Western Australia, 6011

Fax Number: +61 (8) 9226 3764

Email: [pmacleod@gapcs.com.au](mailto:pmacleod@gapcs.com.au)

Postal Address: Locked Bag 2000, Nedlands, Western Australia, 6909

by no later than 48 hours prior to the time of commencement of the Meeting.

For personal use only