

Syndicated Metals Limited

ABN 61 115 768 986

Notice of Annual General Meeting

Notice is hereby given that the 2016 Annual General Meeting of Syndicated Metals Limited ABN 61 115 768 986 (**Company**) will be held at 10am (Perth time) on Thursday 27 October 2016 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

A Proxy Form is enclosed. If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Please note terms used in this Notice of Meeting have the same meaning as set out in the Glossary of the Explanatory Memorandum accompanying this Notice of Meeting.

AGENDA

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2016, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1. Resolution 1 – Non-binding resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2016 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 – Re-election of Director – Peter Langworthy

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

"That Mr Langworthy, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

3. Resolution 3 – Additional 10% Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of Equity Securities up to 10% of the Company's issued capital (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any 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 Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval to issue Shares and Options – Peter Langworthy

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Omni GeoX Pty Ltd, an entity associated with a Director, Peter Langworthy, of up to 5,000,000 Shares at an issue price of 0.5 cents per Share together with up to 2,500,000 free attaching Options on the same terms and conditions as the Shortfall Offer and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by Omni GeoX Pty Ltd, Peter Langworthy and any Associate of those persons. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval to issue Shares and Options to CopperChem Ltd – Shortfall Top-up Issue 1

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of:

- (a) 7,791,500 Shares at an issue price of 0.5 cents per Share; and
- (b) 3,895,750 free Options,

to CopperChem Ltd on the same terms and conditions as the Shortfall Offer and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by CopperChem Ltd and any Associate of CopperChem Ltd. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Approval to issue Shares and Options to CopperChem Ltd – Shortfall Top-up Issue 2

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of:

- (a) *2,563,500 Shares at an issue price of 0.5 cents per Share; and*
- (b) *1,281,750 free Options,*

to CopperChem Ltd on the same terms and conditions as the Shortfall Offer and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 6 by CopperChem Ltd and any Associate of CopperChem Ltd. However, the Company need not disregard a vote if it is cast by:*

- (a) *a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

7. Resolution 7 – Ratify issue of Shares for acquisition of Monument Exploration Pty Ltd

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 23,767,082 Shares (at an issue price of 0.8415 cents each) on 31 August 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue the subject of Resolution 7 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

8. Resolution 8 – Approval to issue Shares to CopperChem Ltd – Top-up Issue 3

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of 12,184,000 Shares at an issue price of 0.8415 cents per Share to CopperChem Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 8 by CopperChem Ltd and any Associate of CopperChem Ltd. However, the Company need not disregard a vote if it is cast by:*

- (a) *a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

9. Resolution 9 – Ratify share placement under Listing Rule 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 47,055,754 Shares (at an issue price of 2.1 cents each) on 16 August 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 9 by any person who participated in the issue the subject of Resolution 9 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

10. Resolution 10 – Ratify share placement under Listing Rule 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 47,944,246 Shares (at an issue price of 2.1 cents each) on 16 August 2016 on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 10 by any person who participated in the issue the subject of Resolution 10 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

11. Resolution 11 – Approval to issue Shares to a Director – Peter Langworthy

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of 3,333,333 Shares at an issue price of 2.1 cents per Share to Langworthy Super Fund and Omni GeoX Pty Ltd, entities associated with a Director - Peter Langworthy, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 11 by Langworthy Super Fund, Omni GeoX Pty Ltd, Peter Langworthy and any Associate of those persons. However, the Company need not disregard a vote if it is cast by:*

- (a) *a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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.*

12. Resolution 12 – Approval to issue Shares to a Director – David Morgan

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of 1,904,762 Shares at an issue price of 2.1 cents per Share to to Emlyn Holdings Pty Ltd as trustee for Glyn Dwr Trust and Morgold Super Fund, entities associated with a Director - David Morgan, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 12 by Emlyn Holdings Pty Ltd, Morgold Super Fund, David Morgan and any Associate of those persons. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

13. Resolution 13 – Approval to issue Shares to CopperChem Ltd – Top-up Issue 4

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to a maximum of 2,685,000 Shares at an issue price of 2.1 cents per Share to CopperChem Ltd on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 13 by CopperChem Ltd and any Associate of CopperChem Ltd. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

14. Resolution 14 – Approval for issue of Performance Rights to Andrew Munckton

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to \$57,128 worth of Performance Rights to Andrew Munckton, a Director, or his nominee(s) for no consideration, and otherwise on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on Resolution 14 by any Director, other than any Directors who are ineligible to participate in the Performance Rights Plan, and any Associates of those Directors. However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 14 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 14; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 14. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 14, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair to vote against Resolution 14 or to abstain from voting.

Shareholders may also choose to direct the Chair to vote against Resolution 14 or to abstain from voting. If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

By Order of the Board

Paul Bridson
Company Secretary
19 September 2016

NOTES

These notes form part of the Notice of Meeting and should be read in conjunction with the accompanying Explanatory Memorandum. Capitalised words and phrases used in this Notice of Meeting are defined in the Glossary contained in the accompanying Explanatory Memorandum.

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. A properly executed original (or certified copy) of the power of attorney under which an attorney has been authorised to attend and vote at the Meeting must be lodged with the Company's share registry before 10am (Perth time) on Tuesday 25 October 2016 (48 hours before the commencement of the Meeting). If facsimile transmission is used, the power of attorney must be certified.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person 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 any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (ie. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in the place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director, that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice.
- To be effective, proxies must be received by 10am (Perth time) on Tuesday 25 October 2016. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

By Post:

Computershare Investor Services Pty Limited
 GPO Box 242,
 Melbourne, Victoria 3001,
 Australia

By Fax:

(within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

Electronically:

Submit proxy voting instructions online at www.investorvote.com.au
 Please refer to the enclosed Proxy Form for more information about submitting proxy voting instructions online.

For intermediary online subscribers only (custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 763 574
 (outside Australia) +61 3 9415 4862

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received at the above address, or by facsimile, and by 10am (Perth time) on Tuesday 25 October 2016. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Company's register of Shareholders as at 4pm (Perth time) Tuesday 25 October 2016.

SYNDICATED METALS LIMITED

ABN 61 115 768 986

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of the Shareholders of Syndicated Metals Limited (**Company**), in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Thursday 27 October 2016 at 10am (Perth time) at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia 6008.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Shareholders are specifically referred to the Glossary in this Explanatory Memorandum which contains definitions of capitalised terms used in the Notice of Meeting and this Explanatory Memorandum.

1. FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of the accounts;
and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

2. RESOLUTION 1 – NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders the Remuneration Report as disclosed in the Company's 2016 Annual Report. The Remuneration Report is set out in the Company's 2016 Annual Report and is also available on the Company's website (www.syndicatedmetals.com.au).

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at an AGM, and then again at the following AGM (**Following AGM**), the Company will be required to put a resolution to the Following AGM, to approve calling a general meeting (**Spill Resolution**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a general meeting (**Spill Meeting**) within 90 days of the Following AGM. All of the Directors who were in office when the Directors' Report (as included in the Company's annual financial report for the financial year ended immediately before the Following AGM) was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the year ended 30 June 2015 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 26 November 2015. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a Spill Resolution to Shareholders. However, a Spill Resolution will be required if the Remuneration Report at the 2017 Annual General Meeting receives a vote of more than 25% against its adoption.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and sets out the details of any equity based compensation.

The Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution. In exceptional circumstances, the Chair of the Meeting may change his or her voting intention on Resolution 1, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR - PETER LANGWORTHY

Clause 13.2 of the Constitution provides that at each AGM of the Company, 1/3 of the Directors (other than alternate Directors and the Managing Director) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director other than alternate Directors and the Managing Director holds office for more than 3 years, shall retire from office. The Directors to retire are those who have been in office the longest since their last election. A retiring Director is eligible for re-election.

Pursuant to clause 13.2 of the Constitution, Peter Langworthy, being a Director, retires by rotation and, being eligible, offers himself for re-election as a Director.

Mr Langworthy was appointed a Director and Non-executive Chairman of the Company in March 2012. Mr Langworthy was most recently re-elected as a Director at the Company's 2014 annual general meeting held on 8 October 2014. He is a geologist with a career spanning 30 years in mineral exploration and project development in Australia and Indonesia. He has specific expertise in building successful teams that have been responsible for significant mineral discoveries and in integrating technically sound exploration and resource development strategies into corporate planning. His industry experience includes 12 years in senior management roles with WMC Resources, four years with PacMin Mining as Exploration Manager, five years with Jubilee Mines where he built the team responsible for numerous discoveries at the Cosmos Nickel Mine and the Sinclair nickel project, and three years with Talisman Mining Limited as Technical Director. At Jubilee he was part of the corporate team responsible for the growth of the company until it was taken over by Xstrata. He has also held non-executive directorships with other ASX-listed companies namely Northern Star Resources Limited, Falcon Minerals Limited and Pioneer Resources Limited. Mr Langworthy was previously a Non-Executive Director and is now an Executive Director of Capricorn Metals Ltd (formerly Malagasy Minerals Limited) and has been a Director since July 2013. Mr Langworthy was appointed as a Non-Executive Director of Silver Mines Limited effective 21 June 2016. Mr Langworthy has a Bachelor of Science with Honours degree and is a Member of the Australian Institute of Mining and Metallurgy.

Mr Langworthy is considered to be an independent Director.

The members of the Board (other than Mr Langworthy) support the re-election of Mr Langworthy as a director of the Company.

4. RESOLUTION 3 – ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities to seek shareholder approval at an AGM to issue Equity Securities of up to 10% of their issued share capital through placements over the 12 month period following the AGM (**10% Placement Capacity**). The 10% Placement Capacity is in addition to a company's 15% placement capacity under Listing Rule 7.1. A resolution seeking approval for the 10% Placement Capacity must be a **special resolution** of shareholders passed by at least 75% of the votes cast by shareholders entitled to vote.

To be eligible for the 10% Placement Capacity, a company must, at the time of their AGM:

- have a market capitalisation of \$300 million or less; and
- not be included in the S&P/ASX 300 Index.

The Company has a market capitalisation of \$14.95m as at 19 September 2016 (the day before the Notice of Meeting was sent to print) and is an eligible entity for the purposes of Listing Rule 7.1A. Resolution 3 seeks a special resolution of Shareholders to approve the issue of Equity Securities under the 10% Placement Capacity over the 12 months following the AGM. The approval of the 10% Placement Capacity provides greater flexibility for the Board to conduct capital raisings through placements in the 12 month period following the Meeting.

Capital markets have recently been in a state of fluctuation and the Directors acknowledge that they may need to act quickly to raise funds when favourable markets emerge. The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a materially adverse effect on the Company's activities.

It is anticipated that funds raised from the 10% Placement Capacity would be applied towards exploration and evaluation of the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses.

Listing Rule 7.1A

The effect of Resolution 3 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

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

Based on the number of shares on issue at the date of this Notice, the Company will have 598,234,546 Shares on issue, and therefore, subject to Shareholder approval being obtained under Resolution 3, 59,823,454 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A.

The capacity to issue Equity Securities under the 10% Placement Capacity is in addition to the Company's capacity to issue Equity Securities under Listing Rule 7.1. The number of Equity Securities which the Company may issue or agree to issue under the 10% Placement Capacity is calculated in accordance with the formula set out in Listing Rule 7.1A.2 which is set out below:

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

where,

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

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;

- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months,

("Variable A").

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. Shareholders will be kept fully informed of any issue of Equity Securities under the 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable Listing Rules. The table further below demonstrates various examples as to the number of Equity Securities that may be issued under the 10% Placement Capacity.

For the reasons set out above, the Directors of the Company unanimously recommend that Shareholders vote to approve Resolution 3.

Additional Information

The following information in relation to the 10% Placement Capacity is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at a price not less than 75% of the volume weighted average price of the relevant Equity Securities on the ASX on the 15 Trading Days on which trades in the class were recorded immediately before:
 - i. the date on which the price at which the Equity Securities are to be issued is agreed; or
 - ii. the issue date if the Equity Securities are not issued within 5 Trading Days of the date on which the issue price is agreed.

- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such placement of Equity Securities will have their economic and voting interests in the Company diluted. This means that each Share will represent a lower proportion of the ownership and voting power in the Company. In addition, Shareholders should note that there is a risk that:
 - i. the market price for Equity Securities may be significantly lower on the issue date of the Equity Securities under the 10% Placement Capacity than on the date of the Meeting;
 - ii. the Equity Securities issued under the 10% Placement Capacity may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date; and
 - iii. the Equity Securities issued under the 10% Placement Capacity may be issued for non-cash consideration, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders from the issue of the maximum number of Shares under the 10% Placement Capacity using different variables for the number of ordinary securities for Variable A and the market price of Shares. The table shows:

- (i) examples of where Variable A is 598,234,546 Shares (which is the value of Variable A as at the date of this Notice), and where Variable A has increased by 50% and 100%;
- (ii) examples of where the issue price of Shares is the current market price as at close of trade on 19 September 2016, being \$0.025 (**current market price**) and where the issue price is halved and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Capacity are issued.

Variable A	Number of Shares issued and funds raised under the 10% Placement Capacity and dilution effect	Dilution		
		\$0.0125 Issue Price at half the current market price	\$0.025 Issue Price at current market price	\$0.05 Issue Price at double the current market price
Current Variable A 598,234,546 Shares	Shares issued	59,823,454	59,823,454	59,823,454
	Funds raised	\$747,793	\$1,495,586	\$2,991,172
	Dilution effect	10%	10%	10%
50% increase in current Variable A 897,351,819 Shares	Shares issued	89,735,181	89,735,181	89,735,181
	Funds raised	\$1,121,689	\$2,243,379	\$4,486,759
	Dilution effect	10%	10%	10%
100% increase in current Variable A 1,196,469,092 Shares	Shares issued	119,646,909	119,646,909	119,646,909
	Funds raised	\$1,495,586	\$2,991,172	\$5,982,345
	Dilution effect	10%	10%	10%

Note this table assumes:

- (i) No other Shares are issued before the date of the issue of the Equity Securities (including any Shares which may be issued under Resolution 3). If further Shares are issued and Shareholders do not participate in the issue, their ownership and voting power in the Company will be further diluted;
- (ii) No Options or Performance Rights are exercised before the date of the issue of the Equity Securities;
- (iii) 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%;
- (iv) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares; and
- (v) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- (c) Approval of the 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Meeting; and
 - (ii) the date of the approval of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking);
- (d) The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration or non-cash consideration (such as assets or investments). If the Company issues Equity Securities for cash consideration, the Company intends to use funds raised for exploration and evaluation of works associated with the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses. If the Company issues Equity Securities for non-cash consideration, it will release to the market a valuation of the non-cash consideration prepared by an independent expert, or by the Directors if they determine that they have appropriate expertise to carry out such a valuation. The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.A upon issue of any Equity Securities.
- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case-by-case basis. As at the date of this Notice, no decision has been made by the Directors in respect of determining the identity of the persons to whom Shares will be issued under the 10% Placement Capacity, save that they will not include related parties (or their Associates) of the Company.

The Company's allocation policy will be significantly influenced by the market conditions at the time of any proposed issue of Equity Securities as well as the Company's situation. The Directors may have regard to factors including but not limited to the following:

- i. what methods of raising funds are available to the Company, including other capital-raising alternatives;
 - ii. the financial situation and solvency of the Company, including the reasons for raising the funds;
 - iii. the effect on control or the acquisition of a substantial interest;
 - iv. market factors leading up to the issue and those reasonably likely to occur during the issue;
 - v. advice from financial advisers;
 - vi. the structure of the issue including the size, price, discount to market and timing; and
 - vii. the Shareholder register, including the spread and the representation of institutional, sophisticated and retail investors, as well as other considerations such as the geographical representation of Shareholders.
- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting. In the 12 months preceding the date of the Meeting, the Company has issued 276,564,628 Equity Securities, which represents 68.26% of the total number of Equity Securities on issue at the commencement of that 12 month period. Set out in Schedule A is information in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting.
- (g) A voting exclusion applies to Resolution 3 in accordance with the statement set out in the Notice of Meeting. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 3.

5. BACKGROUND TO RESOLUTIONS 4, 5 & 6

Entitlement Offer & Shortfall Offer

As announced on 7 December 2015, the Company offered existing eligible shareholders the opportunity to participate in a non-renounceable entitlement offer on the basis of one (1) Share for every six (6) Shares held on the record date at an issue price of 0.5 cents per Share, together with one free Option for every two Shares subscribed for (**Entitlement Offer**), to raise up to \$333,537 before expenses. A prospectus for the Entitlement Offer and the Option Offer was lodged with ASIC and ASX on 10 December 2015 (**Prospectus**). Any Shares and Options not taken up by eligible Shareholders under the Entitlement Offer became available as shortfall (**Shortfall**). Eligible shareholders who subscribed for their entitlement under the Entitlement Offer in full could apply to participate in the Shortfall by applying for Shares and Options in addition to their entitlement, a separate offer of which was made pursuant to the Prospectus (**Shortfall Offer**). If there was a Shortfall, the Directors reserved the right to place the Shortfall at their discretion.

On 4 April 2016, the Company issued 15,200,000 Shares at 0.5 cents per Share raising \$76,000 and 7,600,000 free attaching unlisted Options with each Option having an exercise price of 1.2 cents and expiring on 8 February 2018. These Shares and Options were issued under the Shortfall Offer. The Shares and Options were issued under the same terms and pricing as the Entitlement Offer.

A further \$25,000 Shortfall application was received from Omni GeoX Pty Ltd, an entity associated with the Company's Chairman, Mr Peter Langworthy. Shareholder approval was previously sought and obtained at the Shareholders meeting held on 29 January 2016 for Jericho Exploration Pty Ltd, an entity associated with Mr Langworthy, to participate in the Shortfall Offer up to 4,000,000 Shares and 2,000,000 Options. The Shares and Options as approved were required to be issued within one month of the date of the meeting. However, the allocation and issue of Shortfall took in excess of one month to be finalised. Shortfall Shares were issued on 4 April 2016, as noted above, resulting in the approval for placement of Shortfall to Jericho Exploration Pty Ltd lapsing. The Shortfall application funds from Omni GeoX were received in March 2016 during the Shortfall Offer period and have been held in trust by the Company since that date pending Shareholder approval.

Top-up Issues

CopperChem is the Company's largest and only substantial shareholder. As announced to ASX on 16 September 2013, the Company entered into a Placement Agreement with CopperChem which includes a "top-up" right. Under this right, for as long as CopperChem holds 15% or more of the Company, if the Company makes an offer of equity securities (excluding certain exempt issues) (**New Issue**), it must also offer CopperChem, to the maximum extent permitted by law, that number of equity securities as will ensure that it maintains its same percentage interest in the Company (**Top-up Right**). The offer made to CopperChem must be on the same terms of issue applicable to the New Issue.

The Company obtained a waiver of Listing Rule 6.18 on 25 October 2013 (as amended on 21 November 2013) to permit the Top-up Right, which waives compliance with Listing Rule 6.18 to the extent necessary to permit CopperChem to maintain, by way of a right to participate in any issue of shares or to subscribe for shares, its percentage interest in the issued capital of the Company in respect of a diluting event which occurs or is announced following entry into the Placement Agreement (**Waiver**). The Waiver will continue for so long as the strategic relationship between the Company and CopperChem continues, and CopperChem's interest (and any of its related bodies corporate) in the Company is 15% or more.

Following the placement of 15,200,000 shortfall Shares and 7,600,000 shortfall Options under the Shortfall Offer, the Company offered to issue CopperChem 7,791,500 Shares (at an issue price of 0.5 cents per Share) and 3,895,750 free Options pursuant to the Top-up Right, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules, which was accepted by CopperChem. In accordance with the Placement Agreement, an offer of 2,563,500 Shares (at an issue price of 0.5 cents per Share) and 1,281,750 free Options will also be made by the Company to CopperChem following a placement on the same terms and conditions as the Shortfall Offer of 5,000,000 Shares (at an issue price of 0.5 cents per Share) and up to 2,500,000 free attaching Options to Omni GeoX Pty Ltd (if Resolution 4 receives Shareholder approval).

As at the date of the Notice, CopperChem had indicated to the Company that it was its current intention to take up the Shares and Options under the Top-up Right the subject of Resolutions 5 and 6 (subject to any Shareholder approvals that may be required by ASX under the Listing Rules), to the extent that it is permitted under the Corporations Act (and again, subject to any Shareholder approvals that may be required by ASX under the Listing Rules).

5.1 RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND OPTIONS – PETER LANGWORTHY

Listing Rules 10.11 and 10.13

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 and for all other purposes to issue up to 5,000,000 Shares at an issue price of 0.5 cents per Share and up to a maximum of 2,500,000 free Options to Omni GeoX Pty Ltd under the same terms and conditions as the Shortfall Offer. Mr Langworthy is a director and shareholder of Omni GeoX Pty Ltd.

As noted above, Shares and Options that were not taken up by eligible Shareholders under the Entitlement Offer became available as Shortfall. Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Shareholder approval was previously sought and obtained at the Shareholders meeting held on 29 January 2016 for Jericho Exploration Pty Ltd, an entity associated with Mr Langworthy, to participate in the Shortfall Offer up to 4,000,000 Shares and 2,000,000 Options. The Shares and Options as approved were required to be issued within one month of the date of the meeting. However, the allocation and issue of Shortfall took in excess of one month to be finalised, as noted above, resulting in the approval for placement of Shortfall to Jericho Exploration Pty Ltd lapsing. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Shares and Options to the entity noted above on the same terms and conditions as the Shortfall Offer.

The following information is provided to Shareholders in relation to Resolution 4 for the purposes of Listing Rule 10.13:

- (a) The maximum number of Shares and Options the Company can issue is 5,000,000 Shares and 2,500,000 Options;
- (b) the Company will issue the Shares and Options within one month of the date of the Meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is 0.5 cents each. The issue price of the Options is nil. The Options are free attaching Options to be issued on the basis of one free attaching Option for every two Shares subscribed for, for which no additional consideration is payable;
- (d) the Shares and Options will be issued to Omni GeoX Pty Ltd. Mr Langworthy is a director and shareholder of Omni GeoX Pty Ltd;

- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares. The Options are unquoted Options, each to acquire one Share, exercisable at 1.2 cents on or before 8 February 2018 and otherwise on the terms set out in Schedule B; and
- (f) funds raised from the issue are intended to be used to fund exploration works associated with the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing and general working capital and administrative expenses.

If Shareholder approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

The impact of passing Resolution 4 on Director's voting power

The table set out under section 8.3 of this Explanatory Memorandum shows the impact of passing Resolution 4 on Mr Langworthy's voting power in the Company.

Chapter 2E Corporations Act

As noted above, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

This Resolution relates to the proposed issue of Shares and Options to an entity associated with Mr Peter Langworthy, a Director, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act. However, section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that:

- (a) would be reasonable in the circumstances if the company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in (a).

In the circumstances the Directors, (in the absence of Mr Peter Langworthy), have determined that the financial benefit to be provided to the entity associated with Mr Langworthy through the issue of the Shares and Options under the same pricing, terms and conditions as the Shortfall Offer is on arm's length terms, and accordingly have determined that the arm's length exception in section 210 of the Corporations Act applies and therefore Shareholder approval under section 208 is not required. The Directors (in the absence of Mr Langworthy) believe that the proposed issue is on arm's length terms as the application to participate in Shortfall and the Shortfall funds were received by the Company in March 2016 at the same time as the funds of the other Shortfall participants. The Shortfall funds have been held in trust by the Company since this date.

5.2 RESOLUTIONS 5 & 6 – APPROVAL TO ISSUE SHARES AND OPTIONS TO COPPERCHEM LTD – SHORTFALL TOP-UP ISSUES

Listing Rules 10.11 and 10.13

As noted above, CopperChem has a Top-up Right under the Placement Agreement.

The Entitlement Offer Shortfall shares which were issued by the Company on 4 April 2016 diluted CopperChem's interest in the Company from 33.89% to 32.82%. Accordingly, pursuant to the Placement Agreement and Waiver, the Company offered CopperChem the opportunity to subscribe for 7,791,500 Shares and the opportunity to subscribe for 3,895,750 Options under the same terms and conditions as the Shortfall Offer, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules, which was accepted by CopperChem. The issue of securities the subject of Resolution 5, if approved by Shareholders, would restore CopperChem's interest in the Company to 33.89% at the time the top-up offer was made.

If the placement of Shares and Options on the same terms and conditions as the Shortfall Offer to Omni GeoX Pty Ltd is approved by Shareholders and proceeds (refer to Resolution 4), it would have diluted CopperChem's interest in the Company from 33.89% to 33.55% at the time the top-up offer was made. Accordingly, pursuant to the Placement Agreement and Waiver, the Company will offer CopperChem the opportunity to subscribe for 2,563,500 Shares and the opportunity to subscribe for 1,281,750 Options on the same terms and conditions as the offer to Omni GeoX Pty Ltd, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules. The issue of securities the subject of Resolution 6, if approved by Shareholders, would restore CopperChem's interest in the Company to 33.89% at the time the top-up offer was made.

Resolutions 5 and 6 seek Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue to CopperChem Ltd:

- (a) Resolution 5 – up to a maximum of 7,791,500 Shares at an issue price of 0.5 cents per Share and up to a maximum of 3,895,750 free Options; and
- (b) Resolution 6 – up to a maximum of 2,563,500 Shares at an issue price of 0.5 cents per Share and up to a maximum of 1,281,750 free Options.

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party or to a person whose relationship with the Company is, in ASX's opinion, such that approval should be obtained. CopperChem is not a related party of the Company. However, ASX has determined that CopperChem is a person whose relationship with the Company is such that approval is required under Listing Rule 10.11 to issue securities to it. Accordingly, Shareholder approval under Listing Rule 10.11 is sought to issue the Shares and Options to CopperChem Ltd pursuant to Resolutions 5 and 6.

The following information in relation to the Shares and Options proposed to be issued pursuant to Resolutions 5 and 6 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares and Options the Company can issue to CopperChem under:
 - (i) Resolution 5 is 7,791,500 Shares and 3,895,750 Options; and
 - (ii) Resolution 6 is 2,563,500 Shares and 1,281,750 Options;

- (b) the Company will issue the Shares and Options within one month of the date of Meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is 0.5 cents each. The issue price of the Options is nil;
- (d) the Shares and Options will be issued to CopperChem;
- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares. The Options are unquoted Options, each to acquire one Share, exercisable at 1.2 cents on or before 8 February 2018 and otherwise on the terms set out in Schedule B; and
- (f) funds raised from the issue are intended to be used to fund exploration works associated with the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing and general working capital and administrative expenses.

If Shareholder approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

The impact of passing Resolutions 5 and 6 on CopperChem's voting power

The table set out under section 9 of this Explanatory Memorandum shows the impact of passing Resolutions 5 and 6 on CopperChem's voting power in the Company.

6. RESOLUTION 7 – RATIFY ISSUE OF SHARES FOR ACQUISITION OF MONUMENT EXPLORATION PTY LTD

On 27 July 2016, the Company announced that it had reached agreement to acquire the Monument Gold Project in WA's Laverton gold province, through the purchase of unlisted company Monument Exploration Pty Ltd ("Monument").

The acquisition involved the payment of \$50,000 in cash and 23,767,082 Shares, to be issued to the Vendor at a price of 0.8415 cents each (\$200,000 total share consideration), which was the 5-day VWAP for Shares prior to execution of the agreement.

Listing Rule 7.1 requires Shareholder approval for the proposed issue of securities in the Company. Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 7 seeks ratification under Listing Rule 7.4 of the issue of 23,767,082 Shares that were issued on 31 August 2016 pursuant to the acquisition in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 23,767,082 Shares were issued;
- (b) the Shares were issued at an issue price of 0.8415 cents each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to the vendor of Monument Exploration Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from the issue. The issue of the Shares was in settlement of the purchase of Monument Exploration Pty Ltd.

7. RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO COPPERCHEM LTD – TOP-UP ISSUE 3

Listing Rules 10.11 and 10.13

As noted above, CopperChem has a Top-up Right under the Placement Agreement.

The Shares the subject of Resolution 7 which were issued by the Company on 31 August 2016 in settlement of the acquisition of Monument Exploration Pty Ltd diluted CopperChem's interest in the Company from 27.39% to 26.30%. Accordingly, pursuant to the Placement Agreement and Waiver, the Company offered CopperChem the opportunity to subscribe for 12,184,000 Shares, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules, which was accepted by CopperChem. The Shares the subject of Resolution 8, if approved by Shareholders, would restore CopperChem's interest in the Company to 27.39%.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue to CopperChem Ltd up to a maximum of 12,184,000 Shares at an issue price of 0.8415 cents per Share.

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party or to a person whose relationship with the Company is, in ASX's opinion, such that approval should be obtained. CopperChem is not a related party of the Company. However, ASX has determined that CopperChem is a person whose relationship with the Company is such that approval is required under Listing Rule 10.11 to issue securities to it. Accordingly, Shareholder approval under Listing Rule 10.11 is sought to issue the Shares to CopperChem Ltd pursuant to Resolution 8.

The following information in relation to the Shares proposed to be issued pursuant to Resolution 8 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares the Company can issue to CopperChem under Resolution 8 is 12,184,000 Shares;
- (b) the Company will issue the Shares within one month of the date of Meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is 0.8415 cents each;
- (d) the Shares will be issued to CopperChem;

- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and
- (f) funds raised from the issue are intended to be used to fund exploration works associated with the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing and general working capital and administrative expenses.

If Shareholder approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

The impact of passing Resolution 8 on CopperChem's voting power

The table set out under section 9 of this Explanatory Memorandum shows the impact of passing Resolution 8 on CopperChem's voting power in the Company.

8. BACKGROUND TO RESOLUTIONS 9, 10 11 AND 12

Share Placement

On 9 August 2016, the Company announced that it had raised a total of \$1.995 million pursuant to the first tranche of a Share placement to fast-track its maiden drilling program at its recently acquired Monument Gold Project in the Laverton region of Western Australia.

Under the first tranche of the placement, 95,000,000 Shares were issued at an issue price of 2.1 cents per Share on 16 August 2016 to sophisticated and professional investors, being clients of Blue Ocean Equities and some long-standing Shareholders of the Company under the Company's available placement capacity under Listing Rules 7.1 and 7.1A to raise \$1,995,000 (**Tranche 1 Placement**) as follows:

- 47,055,754 Shares were issued under Listing Rule 7.1 and are the subject of Resolution 9; and
- 47,944,246 Shares were issued under Listing Rule 7.1A and are the subject of Resolution 10.

Also as announced on 9 August 2016, the balance of the Shares to be issued pursuant to the placement (5,238,095 Shares) will be issued to companies associated with Directors, subject to Shareholder approval being obtained, also at an issue price of 2.1 cents per Share (**Tranche 2 Placement**) to raise \$110,000.

Use of Funds

The funds raised under the Placement will be used to fund the following activities:

- the Company's maiden drilling program at the Korong prospect, within the recently acquired Monument Gold Project located in the Laverton region of WA;
- a detailed geophysical survey of the entire 16km long Korong-Waihi trend;
- follow-up drilling at Korong, Waihi and other identified targets following the maiden drilling and geophysical survey programs;
- asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing;
- general working capital and administrative expenses; and
- the expenses of the capital raising.

8.1 RESOLUTION 9 – RATIFY SHARE PLACEMENT UNDER LISTING RULE 7.1

On 16 August 2016, the Company issued 47,055,754 Shares at 2.1 cents per Share to sophisticated and professional investors, being clients of Blue Ocean Equities and some long-standing Shareholders of the Company. The Shares were issued under Listing Rule 7.1 as detailed in the Background section above.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 9 seeks ratification under Listing Rule 7.4 of the issue of 47,055,754 Shares that were issued on 16 August 2016 pursuant to the Placement in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 47,055,754 Shares were issued;
- (b) the Shares were issued at an issue price of 2.1 cents each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to sophisticated and professional investors, being clients of Blue Ocean Equities and some long-standing Shareholders of the Company, none of which are a related party of the Company;
- (e) funds raised from the issue are intended to be used for the purposes outlined in section 8 above; and
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 9.

8.2 RESOLUTION 10 – RATIFY SHARE PLACEMENT UNDER LISTING RULE 7.1A

As part of the Placement, on 16 August 2016, the Company also issued 47,944,246 Shares at 2.1 cents per Share to sophisticated and professional investors, being clients of Blue Ocean Equities and some long-standing Shareholders of the Company. The Shares were issued under Listing Rule 7.1A as detailed in the Background section above.

Listing Rule 7.1A permits eligible entities, which have obtained Shareholder approval by special resolution at the company's annual general meeting, 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 10% Placement Capacity**).

Approval for the Additional 10% Placement Capacity may only be obtained at a company's annual general meeting. The Company previously received Shareholder approval for the Additional 10% Placement Capacity at the Annual General Meeting held on 26 November 2015.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval under Listing Rule 7.1A provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 10% of the issued capital of the Company without requiring Shareholder approval.

Resolution 10 seeks ratification under Listing Rule 7.4 of the issue of 47,944,246 Shares that were issued on 16 August 2016 pursuant to the Placement in order to restore the ability of the Company to issue further Shares within the 10% limit during the 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 47,944,246 Shares were issued;
- (b) the Shares were issued at an issue price of 2.1 cents each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to sophisticated and professional investors, being clients of Blue Ocean Equities and some long-standing Shareholders of the Company, none of which are a related party of the Company;
- (e) funds raised from the issue are intended to be used for the purposes outlined in section 8 above; and
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 10.

8.3 RESOLUTIONS 11 AND 12 – APPROVAL TO ISSUE SHARES TO DIRECTORS

Listing Rules 10.11 and 10.13

Resolutions 11 and 12 seek Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue:

- (a) Resolution 11 – up to a maximum of 3,333,333 Shares at an issue price of 2.1 cents per Share to Langworthy Super Fund and Omni GeoX Pty Ltd, entities associated with a Director, Peter Langworthy. Mr Langworthy is a beneficiary of Langworthy Super Fund and a director and shareholder of Omni GeoX Pty Ltd; and
- (b) Resolution 12 – up to a maximum of 1,904,762 Shares at an issue price of 2.1 cents per Share to Emlyn Holdings Pty Ltd as trustee for Glyn Dwr Trust and Morgold Super Fund, entities associated with Director, David Morgan. Mr Morgan is a director of Emlyn Holdings Pty Ltd and a beneficiary of the Glyn Dwr Trust and the Morgold Super Fund.

If approved, the Shares the subject of Resolutions 11 and 12 will be issued under the Tranche 2 Placement.

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Shares to entities associated with Mr Langworthy and Mr Morgan.

The following information in relation to the Shares proposed to be issued pursuant to Resolutions 11 and 12 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares the Company can issue under:
- (i) Resolution 11 is 2,380,952 Shares to Langworthy Super Fund and 952,381 Shares to Omni GeoX Pty Ltd, entities associated with a Director, Peter Langworthy; and
 - (ii) Resolution 12 is 1,190,476 Shares to Emlyn Holdings Pty Ltd as trustee for Glyn Dwr Trust and 714,286 Shares to Morgold Super Fund, entities associated with Director, David Morgan;
- (b) the Company will issue the Shares within one month of the date of the Meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is 2.1 cents each;
- (d) the Shares will be issued to Langworthy Super Fund, Omni GeoX Pty Ltd, Emlyn Holdings Pty Ltd as trustee for Glyn Dwr Trust and Morgold Super Fund, as noted above;
- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and
- (f) funds raised from the issue are intended to be used to fund the Company's maiden drilling program at the Korong prospect, within the recently acquired Monument Gold Project located in the Laverton region of WA, a detailed geophysical survey of the entire 16km long Korong-Waihi trend, follow-up drilling at Korong, Waihi and other identified targets following the maiden drilling and geophysical survey programs, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses and the expenses of the capital raising.

If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The impact of passing Resolutions 4 and 11 on voting power

The following table sets out the impact of passing Resolutions 4 and 11 on Mr Langworthy's voting power in the Company, assuming that each of the Resolutions seeking approval for the issue of securities that are contained in this Notice are passed and all securities the subject of those Resolutions are issued.

	Director and associated entities	Number of Shares	Number of Options	Percentage voting power in the Company on an undiluted basis²	Percentage voting power in the Company on a fully diluted basis³
Resolution 4 for 5,000,000 Shares and 2,500,000 Options	Peter Langworthy	20,814,907	7,915,351	3.28%	4.06%
Resolution 11 for 3,333,333 Shares	Peter Langworthy	24,148,240 ¹	7,915,351	3.81%	4.54%

Notes:

- 1 The number of Shares noted against Resolution 11 assumes that the Shares the subject of Resolution 4 are also approved and issued to Omni GeoX Pty Ltd, an entity associated with Mr Langworthy.
- 2 Total issued share capital of the Company is 633,696,641 which comprises the total number of Shares on issue as at the date of this Notice and the Shares the subject of Resolutions 4, 5, 6, 8, 11, 12 and 13.
- 3 Total issued share capital of the Company is 706,072,027 which comprises the total number of Shares, Options and Performance Rights on issue as at the date of this Notice and the Shares and Options the subject of Resolutions 4, 5, 6, 8, 11, 12 and 13.

The impact of passing Resolution 12 on voting power

The following table sets out the impact of passing Resolution 12 on Mr Morgan's voting power in the Company, assuming that each of the Resolutions seeking approval for the issue of securities that are contained in this Notice are passed and all securities the subject of those Resolutions are issued.

	Director and associated entities	Number of Shares	Number of Options	Percentage voting power in the Company on an undiluted basis¹	Percentage voting power in the Company on a fully diluted basis²
Resolution 12 for 1,904,762 Shares	David Morgan	13,966,677	2,000,000	2.20%	2.26%

Notes:

- 1 Total issued share capital of the Company is 633,696,641 which comprises the total number of Shares on issue as at the date of this Notice and the Shares the subject of Resolutions 4, 5, 6, 8, 11, 12 and 13.
- 2 Total issued share capital of the Company is 706,072,027 which comprises the total number of Shares, Options and Performance Rights on issue as at the date of this Notice and the Shares and Options the subject of Resolutions 4, 5, 6, 8, 11, 12 and 13.

Chapter 2E Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Resolutions 11 and 12 relate to the proposed issue of Shares to Directors or their nominee(s), which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act. However, section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is on terms that:

- (a) would be reasonable in the circumstances if the company and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in (a).

The Directors (in the absence of Mr Langworthy for Resolution 11) have determined that the financial benefit to be provided to entities associated with Mr Langworthy through the issue of the Shares under the Tranche 2 Placement is on arm's length terms as the Shares that may be issued to entities associated with Mr Langworthy will be issued on the same terms and conditions as the subscribers under the Tranche 1 Placement who are not related parties of the Company. Accordingly, the Directors (in the absence of Mr Langworthy) have determined that the arm's length exception in section 210 of the Corporations Act applies and therefore Shareholder approval under section 208 is not required for the purposes of Resolution 11.

The Directors (in the absence of Mr Morgan for Resolution 12) have determined that the financial benefit to be provided to entities associated with Mr Morgan through the issue of the Shares under the Tranche 2 Placement is on arm's length terms as the Shares that may be issued to entities associated with Mr Morgan will be issued on the same terms and conditions as the subscribers under the Tranche 1 Placement who are not related parties of the Company. Accordingly, the Directors (in the absence of Mr Morgan) have determined that the arm's length exception in section 210 of the Corporations Act applies and therefore Shareholder approval under section 208 is not required for the purposes of Resolution 12.

9 RESOLUTION 13 – APPROVAL TO ISSUE SHARES TO COPPERCHEM LTD – TOP-UP ISSUE 4

Listing Rules 10.11 and 10.13

As noted above, CopperChem has a Top-up Right under the Placement Agreement.

Shares were issued by the Company pursuant to the Tranche 1 Placement on 16 August 2016. The issue of these Shares diluted CopperChem's interest in the Company from 32.82% to 27.39%. Accordingly, pursuant to the Placement Agreement and Waiver, the Company offered CopperChem the opportunity to subscribe for additional Shares, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules, to maintain its same percentage interest in the Company as was held immediately before the issue of Shares. CopperChem declined the Top-up Right in respect to the Shares the subject of Resolutions 9 and 10.

Applications for Shares pursuant to the Tranche 2 Placement were received from entities associated with Mr Langworthy and Mr Morgan (subject to receipt of Shareholder approval). These applications are the subject of Resolutions 11 and 12. Pursuant to the Placement Agreement and Waiver, the Company offered CopperChem the opportunity to subscribe for additional Shares, subject to obtaining any Shareholder approval as may be required by ASX under the Listing Rules, to maintain its same percentage interest in the Company as was held immediately before the issue of Shares. CopperChem accepted the Top-up Right in respect to the Shares the subject of Resolutions 11 and 12. The issue of Shares the subject of Resolution 13, if approved by Shareholders, would restore CopperChem's interest in the Company to 27.39%.

Resolution 13 seeks Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue to CopperChem Ltd up to a maximum of 2,685,000 Shares at an issue price of 2.1 cents per Share.

Listing Rule 10.11 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party or to a person whose relationship with the Company is, in ASX's opinion, such that approval should be obtained. CopperChem is not a related party of the Company. However, ASX has determined that CopperChem is a person whose relationship with the Company is such that approval is required under Listing Rule 10.11 to issue securities to it. Accordingly, Shareholder approval under Listing Rule 10.11 is sought to issue the Shares to CopperChem Ltd pursuant to Resolution 13.

The following information in relation to the Shares proposed to be issued pursuant to Resolution 13 is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Shares the Company can issue to CopperChem under Resolution 13 is 2,685,000 Shares;
- (b) the Company will issue the Shares within one month of the date of Meeting (or such later date as approved by ASX);
- (c) the issue price of the Shares is 2.1 cents each;
- (d) the Shares will be issued to CopperChem;
- (e) the Shares to be issued are fully paid ordinary shares which rank equally in all respects with existing Shares; and
- (f) funds raised from the issue are intended to be used to fund exploration works associated with the Company's recently acquired Monument Gold Project located in the Laverton region of WA, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing and general working capital and administrative expenses.

If Shareholder approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

The impact of passing Resolution 5, 6, 8 and 13 on CopperChem's voting power

The following table sets out the impact of passing Resolutions 5, 6, 8 and 13 on CopperChem's voting power in the Company, assuming:

- (a) CopperChem has a relevant interest in 157,332,392 Shares as at the date of this Notice as is disclosed in a Form 604 *Notice of change of interests of substantial holder* dated 31 August 2016; and
- (b) that each of the Resolutions seeking approval for the issue of securities that are contained in this Notice are passed and all securities the subject of those Resolutions are issued.

The following table does not consider CopperChem's voting power on a fully diluted basis, as the exercise of any Options by CopperChem will be subject to the Corporations Act, including the takeover prohibition in section 606 of the Corporations Act.

Scenario	Shares held by CopperChem ¹	CopperChem voting power % ²
Resolution 5 for 7,791,500 Shares	165,123,892	26.05%
Resolution 6 for 2,563,500 Shares	167,687,392	26.46%
Resolution 8 for 12,184,000 Shares	179,871,392	28.38%
Resolution 13 for 2,685,000 Shares	182,556,392	28.80%

Notes:

- 1 The number of Shares noted against successive Resolutions assumes that the Shares the subject of the previous Resolution(s) are also approved and issued to CopperChem.
- 2 Total issued share capital of the Company is 633,696,641 which comprises the total number of Shares on issue as at the date of this Notice and the Shares the subject of Resolutions 4, 5, 6, 8, 11, 12 and 13.

10 RESOLUTION 14 – APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS TO ANDREW MUNCKTON

The Company proposes to issue \$57,128 worth of Performance Rights to Andrew Munckton or his nominee(s).

Subject to Shareholder approval, Performance Rights will be issued to Mr Munckton, or his respective nominee(s) as set out in the table below:

<u>Tranche</u>	<u>Number of Performance Rights</u>	<u>Vesting Conditions</u>	<u>Performance Period</u>
Tranche A	\$28,564 worth of Performance Rights*	50% of the Performance Rights will vest when the Company's VWAP per Share for 10 Trading Days exceeds 1.5 times the price equal to the VWAP per Share for the 10 Trading Days before the Meeting.	4 years
Tranche B	\$28,564 worth of Performance Rights*	50% of the Performance Rights will vest when the Company's VWAP per Share for 10 Trading Days exceeds 2.5 times the price equal to the VWAP per Share for the 10 Trading Days before the Meeting.	4 years

*The exact number of Performance Rights to be issued will be determined by dividing the dollar amount (\$57,128) by the value determined in accordance with the Hybrid Employee Share Option Model of a Performance Right for each of Tranche A and Tranche B determined by reference to the VWAP of a Share for the 10 Trading Days before the Meeting. The number of Performance Rights that may be issued to Mr Munckton or his nominee(s) pursuant to Resolution 14 will be announced to ASX by the Company on the morning of the Meeting.

If any of the Performance Rights have not vested and been exercised by the date that is 4 years after the date the Performance Rights are granted, the Performance Rights will lapse.

The Performance Rights proposed to be issued to Mr Munckton or his nominee(s) will be issued subject to the Company's performance rights plan as approved by Shareholders at the 2015 Annual General Meeting held on 26 November 2015 (**Performance Rights Plan**). Under the terms of the proposed issue, Mr Munckton (or his nominee(s)) will only be entitled to exercise a Performance Right if any of the vesting conditions outlined in the table above have been satisfied or waived in the relevant performance period outlined. A vested Performance Right may be exercised by Mr Munckton (or his nominee(s)) up until the date specified in the offer of Performance Rights to Mr Munckton (or his nominee(s)) or in the absence of a specified date at any time until the date 3 years after the Performance Right becomes exercisable. Upon exercise of Performance Rights, the Company must issue the underlying Shares within 15 business days.

The Directors believe (in the absence of Mr Munckton) that the grant of Performance Rights will encourage Mr Munckton to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of Mr Munckton) that the incentives intended for Mr Munckton represented by the grant of these Performance Rights is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The value of Performance Rights proposed to be granted to Mr Munckton or his nominee(s) has been determined based upon a consideration of:

- the remuneration of Mr Munckton;
- the Directors' wish to ensure that the remuneration offered is competitive with market standards;
- the Directors understanding that the proposed value of Performance Rights to be granted will ensure that Mr Munckton's overall remuneration is in line with market standards; and
- incentives to ensure the continuity of service of Mr Munckton.

The value and the terms and conditions, including the vesting conditions, of the Performance Rights to be granted to Mr Munckton (or his nominee(s)) have been approved by the Board. The vesting conditions of the two tranches, being 1.5 times and 2.5 times the price equal to the VWAP per Share for the 10 Trading Days before the Meeting were considered appropriate premiums to the Company's Share price by the Board to be a suitable premium to achieve the objectives of the proposed grant of Performance Rights to Mr Munckton (or his nominee(s)) as outlined above. In making this determination, the Board considered the current market practices with respect to director remuneration. The primary purpose of the grant of the Performance Rights to Mr Munckton (or his nominee(s)) is to provide a performance linked incentive component in his remuneration package, to motivate and reward his performance in his role.

If the Performance Rights are issued pursuant to Resolution 14, and the Performance Rights vest and are exercised, the effect of the issue of the Performance Rights would be to dilute the shareholding of existing Shareholders. As the number of Performance Rights that may be issued under Resolution 14 is not known as at the date of this Notice, the dilution percentage cannot be calculated. However, as an example, if 2,380,000 Performance Rights were to be issued to Mr Munckton (or his nominee(s)), this would have the effect of diluting the shareholding of existing Shareholders by 0.39% (based on the number of Shares on issue as at the date of this Notice and assuming all the existing unlisted Options on issue have not been exercised, which are all “out of the money” as at the date of this Notice, and all the existing Performance Rights on issue, which all have vesting conditions that have not been satisfied as at the date of this Notice, have not been exercised).

Directors’ recommendation

All of the Directors were available to make a recommendation. For the reasons noted above, Mr Peter Langworthy, Mr David Morgan and Mr Robert Cooper (who have no interest in the outcome of Resolution 14) recommend that Shareholders vote in favour of Resolution 14. Mr Andrew Munckton declines to make a recommendation about Resolution 14 as he has a material personal interest in the outcome of Resolution 14 as it relates to the proposed grant of Performance Rights to him or his nominee(s).

ASX LISTING RULE 10.14

Under Listing Rule 10.14, an entity must not permit a director or an associate of a director to acquire securities under an employee incentive scheme without first obtaining member approval. As Mr Munckton is a director of the Company, Shareholder approval is required for Mr Munckton (or his nominee(s)) to be issued Performance Rights under the Performance Rights Plan.

Additional Information

The following information in relation to the Performance Rights to be issued pursuant to Resolution 14 is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) Mr Munckton is a director of the Company. The Performance Rights will be issued to Mr Munckton or his nominee(s).
- (b) \$57,128 worth of Performance Rights will be issued. The number of Performance Rights will be calculated by dividing \$57,128 by the value (determined in accordance with the Hybrid Employee Share Option Model) of a Performance Right for each of Tranche A and Tranche B determined by reference to the VWAP per Share for the 10 Trading Days before the Meeting. The number of Performance Rights that may be issued to Mr Munckton (or his nominee(s)) pursuant to Resolution 14 will be announced to ASX by the Company on the morning of the Meeting.
- (c) The Performance Rights will be granted for nil cash consideration, and accordingly, no funds will be raised from the grant of the Performance Rights.

- (d) The names of all persons referred to in Listing Rule 10.14 who received Performance Rights under the Performance Rights Plan since it was last approved on 26 November 2015, the number of Performance Rights received and the acquisition price for each Performance Right is set out below:

There have been no issues of Performance Rights since 26 November 2015, however the following issue under the previous version of the Performance Rights Plan was approved by Shareholders at the Company's annual general meeting held on 8 October 2014. As at the date of this Notice, the Performance Rights have not vested as the vesting conditions are yet to be satisfied.

Director	Number of Performance Rights	Acquisition Price
Andrew Munckton	2,798,209	Nil

- (e) Any Eligible Employee (including a full time or part time employee or Director) and their permitted nominees are entitled to participate in the Performance Rights Plan, but for the purposes of Resolution 14, at this time, the Company is only seeking to grant Performance Rights to Andrew Munckton (or his nominee(s)).
- (f) A voting exclusion statement has been included in the Notice for Resolution 14.
- (g) No loan is provided in connection with the acquisition or conversion of the Performance Rights to Mr Munckton (or his nominee(s)).
- (h) The Company will issue the Performance Rights to Mr Munckton (or his nominee(s)) on a date, being no later than 12 months after the date of this Meeting.

GLOSSARY

Accounting Standards has the meaning given to that term in the Corporations Act.

Annual General Meeting means the annual general meeting set out in the Notice.

Annual Report means the annual report of the Company for the year ended 30 June 2016.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company’s auditor from time to time (if any).

Auditor’s Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2016.

Board means the board of Directors of the Company.

Chair or **Chairman** means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the same meaning given to it in the Listing Rules.

Closely Related Party has the meaning given in the Corporations Act.

Company means Syndicated Metals Limited ABN 61 115 768 986.

Constitution means the constitution of the Company.

CopperChem means CopperChem Ltd ACN 130 641 691.

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

Director means a director of the Company.

Director’s Report means the report of the Directors contained in the Annual Report for the year ended 30 June 2016.

Eligible Employee has the meaning given to that term under the Performance Rights Plan.

Equity Securities has the meaning given to it in the Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Glossary means the Glossary set out in the Explanatory Memorandum.

Key Management Personnel has the meaning given in the Accounting Standards.

Listing Rules means the listing rules of the ASX.

Meeting means the annual general meeting the subject of the Notice.

Managing Director means the managing director of the Company.

Notice or **Notice of Meeting** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

Option means an option to acquire a Share.

Performance Right means a performance right, being a right to acquire a Share, granted pursuant to the terms and conditions of the Performance Rights Plan.

Placement means the Tranche 1 Placement and Tranche 2 Placement.

Placement Agreement means the placement agreement between the Company and CopperChem dated 13 September 2013.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2016.

Resolution means a resolution proposed pursuant to the Notice.

Restricted Voter means the Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

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

Shareholder means the holder of Shares.

Shortfall Offer has the meaning given to that term in section 5 of this Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Tranche 1 Placement has the meaning given to that term in section 8 of this Explanatory Memorandum.

Tranche 2 Placement has the meaning given to that term in section 8 of this Explanatory Memorandum.

VWAP means in relation to a particular period, the volume weighted average price of trading in Shares on ASX over that period.

SCHEDULE A

EQUITY SECURITIES ISSUED BY THE COMPANY DURING THE 12 MONTHS PRECEDING THE ANNUAL GENERAL MEETING

Date	Type of Equity Securities	Number issued	Summary of Terms	Allottees	Issue Price and discount to market price on date of issue (if any)	Consideration
8/12/2015	Fully paid ordinary Shares	26,000,000	Share Placement (Tranche 1)	Sophisticated and professional investors.	\$0.005. The issue price represented a nil discount to the market price on the date of issue.	\$130,000 As at the date of this Notice, the funds raised have been spent on assessment of new gold and base metals project opportunities, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited, general working capital and administrative expenses and the expenses of the issue.
8/02/2016	Fully paid ordinary Shares	32,118,364	Non-renounceable 1 for 6 Entitlement Offer	All shareholders as at the record date were eligible to participate.	\$0.005. The issue price represented a nil discount to the market price on the date of issue.	\$160,591 As at the date of this Notice, the funds raised have been spent on assessment of new gold and base metals project opportunities, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited, general working capital and administrative expenses and the expenses of the offer.

8/02/2016	Unlisted Options	16,059,182	One free attaching option for every two shares issued under the Entitlement Offer. Exercise price of 1.2 cents and expiry date of 8 February 2018.	All shareholders as at the record date were eligible to participate.	Nil.	Nil.
8/02/2016	Fully paid ordinary shares	14,000,000	Share Placement (Tranche 2)	Certain Directors of the Company.	\$0.005. The issue price represented a nil discount to the market price on the date of issue.	\$70,000 As at the date of this Notice, the funds raised have been spent on assessment of new gold and base metals project opportunities, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited, general working capital and administrative expenses and the expenses of the issue.
8/02/2016	Fully paid ordinary shares	17,880,000	CopperChem top up right.	CopperChem Limited	\$0.005. The issue price represented a nil discount to the market price on the date of issue.	\$89,400 As at the date of this Notice, the funds raised have been spent on assessment of new gold and base metals project opportunities, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited and general working capital and administrative expenses.

8/02/2016	Unlisted Options	28,940,000	One free attaching option for every two shares issued under the Tranche 1 and Tranche 2 Share Placement Offers and the CopperChem top up right. Exercise price of 1.2 cents and expiry date of 8 February 2018.	Sophisticated and professional investors. Certain Directors of the Company. CopperChem Limited.	Nil.	Nil.
4/04/2016	Fully paid ordinary shares	15,200,000	Non-renounceable 1 for 6 Entitlement Offer shortfall shares.	Shortfall applicants.	\$0.005. The issue price represented a nil discount to the market price on the date of issue.	\$76,000 As at the date of this Notice the Company intends to spend the funds raised on assessment of new gold and base metals project opportunities, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure the tenement holding is kept in good standing, finalisation of mining lease approvals for the Barbara Joint Venture in association with CopperChem Limited and general working capital and administrative expenses.
4/04/2016	Unlisted Options	7,600,000	One free attaching option for every two shares issued under the Shortfall Offer of the Entitlement Offer. Exercise price of 1.2 cents and expiry date of 8 February 2018.	Shortfall applicants.	Nil.	Nil.

16/08/2016	Fully paid ordinary shares	95,000,000	Share Placement under Listing Rules 7.1 and 7.1A	Sophisticated and professional investors.	\$0.021 The issue price represented a nil discount to the 10 day VWAP on the date of announcement of the placement, and a 36% discount to the market price on the date of issue.	\$1,995,000 As at the date of this Notice the Company intends to spend the funds raised on the Company's maiden drilling program at the Korong prospect, within the recently acquired Monument Gold Project located in the Laverton region of WA, a detailed geophysical survey of the entire 16km long Korong-Waihi trend, follow-up drilling at Korong, Waihi and other identified targets following the maiden drilling and geophysical survey programs, asset maintenance activities associated with the Company's Queensland copper-gold projects to ensure that the tenement holding is kept in good standing, general working capital and administrative expenses and the expenses of the capital raising.
23/08/2016	Fully paid ordinary shares	25,000	Conversion of unlisted options exercisable at 1.2c and expiring on 8 February 2018	Existing shareholder.	\$0.012 The issue price represented a 64% discount to the market price on the date of issue.	\$300 As at the date of this Notice the Company intends to spend the funds raised on general working capital and administrative expenses.
31/08/2016	Fully paid ordinary shares	23,767,082	Acquisition of Monument Exploration Pty Ltd	Vendor of Monument Exploration Pty Ltd.	\$0.008415 The issue price represented the 5 day VWAP for Syndicated shares prior to execution of the agreement, and a 69% discount to the market price on the date of issue.	\$200,000 (non-cash consideration) Shares were issued in lieu of cash payment of consideration. The value of the non-cash consideration as at the date of this Notice is \$594,177.


SCHEDULE B


Terms and Conditions of Options

The following are the terms and conditions of the Options:

- (a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon payment of 1.2 cents.
- (b) The Options will lapse at 5pm Western Standard Time on 8 February 2018 (**Expiry Date**).
- (c) There are no participating rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Options.
- (d) Subject to paragraph (j), Option holders have the rights to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company, made during the currency of the Options.
- (e) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (f) Subject to paragraph (j) the Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Exercise Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option Certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Exercise Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holders to the balance of Options held by him or her.
- (g) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holder's identification number within 5 business days of exercise of the Options.
- (h) The Shares allotted shall rank, from date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (i) There is no right to change the exercise price of the Options or the number of underlying fully paid ordinary shares over which the Options can be exercised, if the Company completes any bonus or pro rata issue.
- (j) The exercise of the Options by an Option holder is subject at all times to the Corporations Act.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 763 574
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Proxy Form

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Vote and view the annual report online


- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 138877

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



 **For your vote to be effective it must be received by 10:00am (Perth time) Tuesday, 25 October 2016**

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 for Postal Forms

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 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.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Syndicated Metals 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 Syndicated Metals Limited to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Thursday, 27 October 2016 at 10:00am (Perth time) 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 Resolutions 1 and 14 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 14 are 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 Resolutions 1 and 14 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.

ORDINARY BUSINESS

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Non-binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval to issue Shares to CopperChem Ltd - Top-up Issue 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Peter Langworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Ratify share placement under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Ratify share placement under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue Shares and Options - Peter Langworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval to issue Shares to a Director - Peter Langworthy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Shares and Options to CopperChem Ltd - Shortfall Top-up Issue 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval to issue Shares to a Director - David Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Shares and Options to CopperChem Ltd - Shortfall Top-up Issue 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 13	Approval to issue Shares to CopperChem Ltd - Top-up Issue 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratify issue of Shares for acquisition of Monument Exploration Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 14	Approval for issue of Performance Rights to Andrew Munckton	<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 / /