

Musgrave Minerals Limited

ABN 12 143 890 671

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**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

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**Date of Meeting**

16 November 2018

**Time of Meeting**

10.00am (WST)

**Place of Meeting**

The Kings Park Room  
Level 1, Quest West Perth  
54 Kings Park Road  
West Perth, Western Australia, 6005

**YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:**

**<http://www.musgraveminerals.com.au>**

Please read this Notice of Annual General Meeting and Explanatory Statement carefully.

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

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Musgrave Minerals Limited will be held at The Kings Park Room, Level 1, Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Friday 16 November 2018 at 10.00am (WST), for the purpose of transacting the business referred to in this Notice of Annual General Meeting (“Notice”).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Statement and Proxy Form form part of this Notice of Meeting. Terms and abbreviations used in this Notice and Explanatory Statement are defined in Schedule 1 of the Explanatory Statement.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 10.00am (WST) on 14 November 2018.

## **AGENDA**

### **ANNUAL REPORT**

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 30 June 2018.

### **RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING)**

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

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ended 30 June 2018."*

**Voting Exclusion:** In accordance with section 250R of the Corporations Act, a vote must not be cast on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

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

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

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## RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JOHN PERCIVAL

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

*"That, John Percival, being a Director of the Company who retires in accordance with rule 6.1 of the Company's Constitution, be re-elected as a Director of the Company."*

## RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – 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 215,000 fully paid ordinary shares to a consultant announced on 14 December 2017 on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – 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 41,602,668 fully paid ordinary shares pursuant to the Share placement announced on 28 May 2018 on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES – 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 6,397,332 fully paid ordinary shares pursuant to the Share placement announced on 28 May 2018 on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

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, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), or any associates of those persons.

However, the Company will not disregard a vote if:

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

## RESOLUTION 7 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

*"That, proportional takeover provisions in the form of rule 162 of the Constitution of the Company (as last approved by shareholders) be refreshed for a further period of three (3) years, with effect from the date of the Meeting."*

## RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR ROBERT WAUGH

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

*"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Robert Waugh or his nominee, up to 3,000,000 Director Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Robert Waugh (and his nominee) or any associates of Robert Waugh. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Restriction on proxy voting by Restricted Voters:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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

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## RESOLUTION 9 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR GRAHAM ASCOUGH

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

*"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Graham Ascough or his nominee, up to 1,500,000 Director Options on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Graham Ascough (and his nominee) or any associates of Graham Ascough. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Restriction on proxy voting by Restricted Voters:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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

## RESOLUTION 10 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MRS KELLY ROSS

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

*"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mrs Kelly Ross or her nominee, up to 1,000,000 Director Options on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mrs Kelly Ross (and her nominee) or any associates of Kelly Ross. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Restriction on proxy voting by Restricted Voters:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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

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## RESOLUTION 11 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR JOHN PERCIVAL

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

*"That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr John Percival or his nominee, up to 1,000,000 Director Options on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr John Percival (and his nominee) or any associates of John Percival. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Restriction on proxy voting by Restricted Voters:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

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

## RESOLUTION 12 – APPROVAL OF THE ISSUE OF OPTIONS TO CONSULTANTS

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

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 1,000,000 unlisted Options on the terms and conditions set out in the Explanatory Statement."*

### **Voting Exclusion:**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who may be expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Other Business**

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

By Order of the Board.

A handwritten signature in black ink, appearing to read 'PFM', enclosed within a circular scribble.

**PATRICIA FARR**  
Company Secretary  
21 September 2018



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## **EXPLANATORY STATEMENT**

### **1. INTRODUCTION**

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on 16 November 2018 at 10.00am (WST). The purpose of this Explanatory Statement is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Statement should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

A Proxy Form is located at the end of the Explanatory Statement.

Please contact the Company Secretary on +61 8 9324 1061 if you wish to discuss any matter concerning the meeting.

### **2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

#### **2.1 Voting in person**

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the meeting to facilitate this registration process.

#### **2.2 Voting by proxy**

If you do not wish to attend the meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a shareholder. If a representative of a corporate proxy is to attend the meeting, you must ensure that the appointment of the representative is in accordance with section 250D of the Corporations Act. The corporate representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed. A form of the certificate may be obtained from the Company's share registry.

You are entitled to appoint up to 2 proxies to attend the meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

Sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chairman of the meeting, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.

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To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 10.00am (WST) on 14 November 2018. Any proxy form received after that time will not be valid for the scheduled meeting.

<b>Online</b>	At <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
<b>By mail</b>	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia
<b>By fax</b>	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
<b>By mobile</b>	Scan the QR Code on your proxy form and follow the prompts
<b>Custodian voting</b>	For Intermediary Online subscribers only (custodians) please visit <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions

### **2.3 Corporate representatives**

Shareholders who are body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry ([www.computershare.com.au](http://www.computershare.com.au)).

### **2.4 Eligibility to vote**

The Directors have determined that, pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered holders of Shares at 4.00pm (WST) on 14 November 2018.

## **3. ANNUAL REPORT**

The first item of the Notice of Meeting deals with the presentation of the 2018 Annual Report, including the Financial Report for the year ended 30 June 2018 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on the Company's financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered. The reports are available on the Company's website at [www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)

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 and ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

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- 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 financial statements; and
  - the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- the content of the Auditor's Report to be considered at the Meeting; and
- the conduct of the audit of the annual financial report to be considered at the Meeting, may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

#### **4. RESOLUTION 1 – 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 2018 Annual Report. Section 250R(3) of the Corporations Act expressly provides that the vote is advisory only and is not binding on the Directors or the Company. The Remuneration Report is set out in the Company's 2018 Annual Report, a copy of which is available on the Company's website ([www.musgraveminerals.com.au](http://www.musgraveminerals.com.au)).

The Remuneration Report sets out the Company's remuneration arrangements for Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the Company's 2018 Annual Report.

A reasonable opportunity will be provided at this Meeting for discussion of the Remuneration Report at the Annual General Meeting.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

#### **5. RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

##### **5.1 Introduction**

Resolution 2 seeks approval for the re-election of Mr John Percival as a Director of the Company with effect from the end of the Meeting.

Mr Percival is required to retire pursuant to the rotation of Directors' rule in clause 6.1 of the Company's Constitution. That clause provides that at each Annual General Meeting one-third of the Directors (other than the Managing Director), or, if their number is not a multiple of three, then the nearest to but not more than one-third of the Directors must retire from office.

Mr Percival retires from office in accordance with this requirement and, being eligible, has offered himself for re-election as a Director of the Company.

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## 5.2 Background

Details of this candidate are as follows:

Mr John Percival  
Non-Executive Director  
Age 74

Mr Percival has been involved in investment and merchant banking for over 25 years including 15 years as Investment Manager of Barclays Bank New Zealand Ltd. In addition he has extensive experience in stockbroking, corporate finance and investment management. In 1995 Mr Percival was appointed to the Board of Goldsearch Limited and since 2000 has been an Executive Director. In May 2014 Goldsearch change direction and Mr Percival with Mr Percival resigning from the Goldsearch Board in April 2017.

Mr Percival was appointed a Director of Musgrave Minerals on 26 May 2010 and is a member of the Audit Committee.

## 5.3 Director's Recommendation

The Directors unanimously support the re-election of Mr John Percival as a Director of the Company (with Mr Percival abstaining).

## 6. RESOLUTIONS 3 TO 5 – RATIFICATION OF PRIOR ISSUE OF EQUITY SECURITIES

### 6.1 General

On 14 December 2017, the Company announced it had issued 215,000 Shares to a Consultant in lieu of a cash payment for the provision of services. The Company issued the Shares without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1.

On 28 May 2018, the Company announced the placement of 48,000,000 Shares to raise \$3,336,000, before costs.

The Company issued a total of 41,602,668 shares without prior Shareholder approval out of its 15% annual placement capacity under ASX Listing Rule 7.1, and 6,397,332 shares out of its additional 10% placement capacity under ASX Listing rule 7.1A which was approved by Shareholders on 29 November 2017.

### 6.2 ASX Listing Rule 7.1

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

### 6.3 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that a company may seek Shareholder approval at its annual general meeting to allow it to issue Securities up to 10% of its issued capital, provided that it is an eligible entity (**Eligible Entity**).

An Eligible Entity is one that, as at the date of the relevant general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalization (excluding restricted securities and securities quoted on a deferred settlement basis of \$300 million).

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The Company obtained shareholder approval for ASX Listing Rule 7.1A at its 2017 Annual General Meeting. At the time approval was obtained, the Company was an Eligible Entity as it was not included in the S&P/ASX 300 Index and had a market capitalization of less than \$300 million.

#### **6.4 ASX Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 or 7.1A (and provided the previous issue did not breach ASX Listing Rule 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purposes of ASX Listing Rule 7.1 and 7.1A.

By ratifying these issues, the Company will retain the flexibility to issue equity securities up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 and up to the 10% annual placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

#### **6.5 Ratification of Prior Issue of Equity Securities – Consultant Shares – Listing Rule 7.1 (Resolution 3)**

##### **Technical Information required by ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 215,000 ordinary fully paid shares issued pursuant to Listing rule 7.1;
- (b) the shares were issued for nil cash consideration as they were issued in lieu of a cash payment for investor relations services provided by the consultant, at a deemed issue price of 7 cents each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the shares were issued to Scintilla Capital who is not a related party of the Company; and
- (e) no funds were issues from the issue of the Shares to the consultant as they were issued in lieu of a cash payment for investor relations services provided by the consultant.

#### **6.6 Ratification of Prior Issue of Equity Securities – Share placement – Listing Rule 7.1 (Resolution 4)**

##### **Technical Information required by ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 41,602,668 ordinary fully paid shares issued pursuant to Listing rule 7.1;
- (b) the shares were issued at a price of 7 cents each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the shares were issued to Westgold Resources Limited, who is not a related party of the Company; and
- (e) the funds raised from the Placement are to be used to accelerate the Company's regional exploration programs and development studies at the Cue Project, and for general working capital.

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## **6.5 Ratification of Prior Issue of Equity Securities – Share placement – Listing Rule 7.1A (Resolution 5)**

### **Technical Information required by ASX Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of equity securities issued was 6,397,332 ordinary fully paid shares issued pursuant to Listing rule 7.1A;
- (b) the shares were issued at a placement price of 7 cents each;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the shares were issued to Westgold Resources Limited, who is not a related party of the Company; and
- (e) the funds raised from the Placement are to be used to accelerate the Company's regional exploration programs and development studies at the Cue Project, and for general working capital.

The Directors recommend that shareholders vote in favour of Resolutions 3 to 5.

The Chair intends to vote undirected proxies in favour of Resolutions 3 to 5.

## **7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY**

### **7.1 General**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period following shareholder approval by way of special resolution at the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity, as its market capitalisation based on a share price of \$0.073 (being the closing price of the Shares on ASX at 20 September 2018) is \$23,870,960.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

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

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **7.2 Description of Listing Rule 7.1A**

#### **a) Shareholder approval**

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

**b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility 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 one class of quoted Equity Securities, being fully paid ordinary Shares.

**c) Formula for calculating 10% Placement Facility**

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

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

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

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 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;
- (iv) less the number of fully paid shares cancelled in the 12 months.

**D** is 10%;

**E** is the number of Equity Securities issued or agreed to be issued under 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 Rule 7.1 or 7.4.

**d) Listing Rule 7.1 and Listing Rule 7.1A**

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

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(c)).

**e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that 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) If the Equity Securities are not issued within five Trading Days of the date referred to in section 6.2(e)(i), the date on which the Equity Securities are issued.

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**f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained; and
- (ii) The date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**7.3 Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

**7.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that 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) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  
- b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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



The table shows:

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

Variable "A" in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.0365 50% decrease in issue price	\$0.073 issue price	\$0.146 100% increase in issue price
<b>Current Variable "A" 329,999,457 Shares</b>	10% voting dilution	32,699,945 Shares	32,699,945 Shares	32,699,945 Shares
	Funds raised	\$1,193,547	\$2,387,095	\$4,774,191
<b>50% increase in current Variable "A" 490,499,185 Shares</b>	10% voting dilution	49,049,918 Shares	49,049,918 Shares	49,049,918 Shares
	Funds raised	\$1,790,322	\$3,580,644	\$7,161,288
<b>100% increase in current Variable "A" 653,998,914 Shares</b>	10% voting dilution	65,399,891 Shares	65,399,891 Shares	65,399,891 Shares
	Funds raised	\$2,387,096	\$4,774,192	\$9,548,384

The table above has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - No Options are exercised into Shares before the date of the issue of the Equity Securities.
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - The issue price is \$0.073 being the closing price of the Shares on ASX at 20 September 2018.
- d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

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- e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Cash consideration. In such circumstances, the Company intends to use the funds raised towards further exploration of its existing portfolio of base metal and gold exploration projects including the Cue Project in Western Australia and on new project acquisition, exploration and development and general working capital.
  - (ii) Non-cash consideration for the acquisition of new resources, assets, investments or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

- f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard, but not limited to, the following factors:
- (i) The methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
  - (ii) The effect of the issue of the Equity Securities on the control of the Company;
  - (iii) The financial situation and solvency of the Company; and
  - (iv) Advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- g) In the 12 months preceding the date of the AGM, the Company has issued 54,115,000 Equity Securities. This represents approximately 16.55% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of all issues of Equity Securities by the Company during the 12 months preceding the date of the AGM are as follows:

Date of issue:	29 November 2017
Number of equity securities issued:	3,250,000
Class of equity security:	Unlisted options
Summary of the terms of the class of equity security:	Upon exercise of the options into ordinary fully paid shares, the issued shares will rank equally in all respects with an existing class of quoted securities
Names of persons to whom the equity securities were issued or on the basis on which those persons were determined:	Unlisted options issued to Directors following shareholder approval at 2017 Annual General Meeting
Price at which the equity securities were issued:	Nil
Discount of price to closing market price (if any):	Nil
Total cash consideration received:	Nil
Amount of cash consideration spent and its use:	N/A
Intended use of remaining cash consideration:	N/A
Non-cash consideration (if any):	Performance based remuneration
Current value of non-cash consideration <sup>1</sup> :	\$68,863

Date of issue:	7 December 2017
Number of equity securities issued:	2,250,000
Class of equity security:	Unlisted options
Summary of the terms of the class of equity security:	Upon exercise of the options into ordinary fully paid shares, the allotted and issued shares will rank equally in all respects with an existing class of quoted securities
Names of persons to whom the equity securities were issued or on the basis on which those persons were determined:	Unlisted options issued to employees and consultants pursuant to the Company's existing employee share option plan
Price at which the equity securities were issued:	Nil
Discount of price to closing market price (if any):	Nil
Total cash consideration received:	Nil
Amount of cash consideration spent and its use:	N/A
Intended use of remaining cash consideration:	N/A
Non-cash consideration (if any):	Performance based remuneration for employees
Current value of non-cash consideration <sup>1</sup> :	\$47,675

<sup>1</sup> The value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

Date of issue:	14 December 2017
Number of equity securities issued:	215,000
Class of equity security:	Fully paid ordinary shares
Summary of the terms of the class of equity security:	The Shares rank equally in all respects with existing ordinary shares of the Company
Names of persons to whom the equity securities were issued or on the basis on which those persons were determined:	Shares issued in lieu of cash payment to a Consultant for provision of services.
Price at which the equity securities were issued:	Deemed issue price of \$0.07
Discount of price to closing market price (if any):	Nil
Total cash consideration received:	Nil
Amount of cash consideration spent and its use:	n/a
Intended use of remaining cash consideration:	n/a
Non-cash consideration (if any):	Shares issued in lieu of cash payment to a Consultant for provision of services.
Current value of non-cash consideration:	\$15,695, based on a Share price of \$0.073, being the closing price of the Shares on ASX on 20 September 2018.

Date of issue:	29 December 2018
Number of equity securities issued:	400,000
Class of equity security:	Fully paid ordinary shares
Summary of the terms of the class of equity security:	The Shares rank equally in all respects with existing ordinary shares of the Company
Names of persons to whom the equity securities were issued or on the basis on which those persons were determined:	Exercise of 400,000 unlisted options exercisable at 4.5 cents on or before 22 April 2021
Price at which the equity securities were issued:	\$0.045
Discount of price to closing market price (if any):	8.75% discount to closing market price of \$0.08 on date of issue
Total cash consideration received:	\$18,000
Amount of cash consideration spent and its use:	Nil
Intended use of remaining cash consideration:	For general working capital
Non-cash consideration (if any):	n/a
Current value of non-cash consideration:	n/a

Date of issue:	28 May 2018
Number of equity securities issued:	48,000,000
Class of equity security:	Fully paid ordinary shares
Summary of the terms of the class of equity security:	The Shares rank equally in all respects with existing ordinary shares of the Company
Names of persons to whom the equity securities were issued or on the basis on which those persons were determined:	Westgold Resources Limited in accordance with Placement as announced to ASX on 28 May 2018
Price at which the equity securities were issued:	\$0.07
Discount of price to closing market price (if any):	Nil
Total cash consideration received:	\$3,360,000
Amount of cash consideration spent and its use:	Nil
Intended use of remaining cash consideration:	For further drilling of the Cue Project and commencement of development studies on the project and for general working capital
Non-cash consideration (if any):	n/a
Current value of non-cash consideration:	n/a

- h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion statement in the Notice.

Resolution 6 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 6.

The Chair intends to vote undirected proxies in favour of Resolution 6.

## 8. RESOLUTION 7 – REFRESH APPROVAL OF PROPORTIONAL TAKEOVER PROVISIONS

### 8.1 General

The partial takeover provisions set out in rule 162 of the Company's Constitution were last renewed by Shareholders of the Company at the 2015 Annual General Meeting for a period of three years.

The provisions prohibit the registration of transfers of shares acquired under the proportional takeover bid unless a resolution is passed by shareholders approving the bid. As provided in rule 162.9, the provisions cease to have effect after three years unless renewed. Accordingly, it is appropriate to consider renewing the proportional takeover provisions by reinserting rule 162, in the form last approved by shareholders at the 2015 Annual General Meeting.

The Corporations act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

#### What is a Proportional Takeover Bid?

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholders shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

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In order to deal with this possibility, a company may provide in its constitution that:

- In the event of a proportional takeover bid being made for the shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- The majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

### **What is the effect of the proportional takeover approval provisions?**

If a proportional takeover bid is made, the Directors must ensure that members vote on a resolution to approve the bid more than 14 days before the bid closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and their associates are not allowed to vote.

If the resolution is not passed, transfer which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The proportional takeover provisions do not apply to full takeover bids and only apply for three years after the date they are renewed. The provisions may be refreshed for a further three year period, but only by a special resolution passed by members.

### **Potential advantages and disadvantages**

While the renewal of rule 162 will allow the Directors to ascertain members views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions in rule 162 ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids, and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

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As at the date on which this statement was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Resolution 7 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 7.

The Chair intends to vote undirected proxies in favour of Resolution 7.

## **8. RESOLUTIONS 8 to 11 – ISSUES OF OPTIONS TO DIRECTORS**

### **8.1 General**

The Company is proposing to issue Options to Mr Robert Waugh (Managing Director), Mr Graham Ascough (Non-Executive Chairman), Mrs Kelly Ross and Mr John Percival (both Non-Executive Directors) as a component of their remuneration, in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company.

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 6,500,000 Director Options to the Directors (**Related Parties**) on the terms and conditions set out below.

Under section 208 of the 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.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit, and as a Director, each Director is a related party of the Company. The Company will not issue the Director Options unless Shareholder approval is granted.

The offer of Director Options to the Related Parties forms part of the Company's long term incentive objectives to encourage Directors 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.

The number of Director Options to be issued to Directors is determined based on factors such as length of service, continuity of executive management, significant contribution to the Company's success and to provide ongoing equity incentives to advance the Company and its assets. Furthermore, the grant of Director Options, is viewed as a cost effective and efficient reward and incentive of the Company as opposed to alternative forms of incentive, such as the payment of additional cash compensation to Directors.

## 8.2 Information required pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) The related Parties are Mr Robert Waugh, Mr Graham Ascough, Mrs Kelly Ross and Mr John Percival who are related parties by virtue of being Directors.
- (b) The maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is set out below:

Related Party	Maximum number	Exercise Price	Expiry date
Mr Robert Waugh	3,000,000	50% greater than the Meeting date 5 day VWAP	16/11/2021
Mr Graham Ascough	1,500,000	50% greater than the Meeting date 5 day VWAP	16/11/2021
Mrs Kelly Ross	1,000,000	50% greater than the Meeting date 5 day VWAP	16/11/2021
Mr John Percival	1,000,000	50% greater than the Meeting date 5 day VWAP	16/11/2021

- (c) The Director Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date.
- (d) The Director Options will be granted for nil cash consideration, accordingly no funds will be raised.
- (e) The terms and conditions of the Director Options are set out in Annexure A.
- (f) The value of the Director Options and the pricing methodology is set out in Annexure B.
- (g) The relevant interests of the Related Party in securities of the Company are set out below:

Director	Number of Shares	Number of Options
Mr Robert Waugh	1,457,172	800,000 exercisable at \$0.167 expiring 03/11/2019 800,000 exercisable at \$0.195 expiring 03/11/2021 1,500,000 exercisable at \$0.097 expiring 29/11/2020
Mr Graham Ascough	1,091,172	750,000 exercisable at \$0.167 expiring 03/11/2019 750,000 exercisable at \$0.097 expiring 29/11/2020
Mrs Kelly Ross	181,492	500,000 exercisable at \$0.167 expiring 03/11/2019 500,000 exercisable at \$0.097 expiring 29/11/2020
Mr John Percival	694,559	500,000 exercisable at \$0.167 expiring 03/11/2019 500,000 exercisable at \$0.097 expiring 29/11/2020

- (h) the remuneration from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Robert Waugh	\$294,244	\$349,596
Mr Graham Ascough	\$65,000	\$65,000
Mrs Kelly Ross	\$49,275	\$45,000
Mr John Percival	\$49,275	\$45,000



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- (i) if the Director Options granted to the Related Parties are exercised, a total of 6,500,000 Shares would be issued. This will increase the number of Shares on issue from 326,999,457 to 333,499,457 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.95%, comprising 0.90% by Robert Waugh, 0.45% by Graham Ascough, 0.30% by Kelly Ross and 0.30% by John Percival.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.094	8 January 2018
Lowest	\$0.056	25 May 2018
Last	\$0.073	21 September 2018

- (k) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.

- (l) Mr Waugh declines to make a recommendation to Shareholders in relation to Resolution 8 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 9, 10 and 11, Mr Waugh recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

- (m) Mr Ascough declines to make a recommendation to Shareholders in relation to Resolution 9 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 8, 10 and 11, Mr Ascough recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.

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- (n) Mrs Ross declines to make a recommendation to Shareholders in relation to Resolution 10 due to her personal interest in the outcome of the Resolution, on the basis that she is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 8, 9 and 11, Mrs Ross recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.
- (o) Mr Percival declines to make a recommendation to Shareholders in relation to Resolution 11 due to his personal interest in the outcome of the Resolution, on the basis that he is to be granted Director Options in the Company should the Resolution be passed. However, in respect of Resolutions 8, 9 and 10, Mr Percival recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of the Director Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed.
- (p) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares and the current market practices when determining the basis of issue of the Director Options.
- (q) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8 to 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Party as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## **9. RESOLUTION 12 – APPROVAL TO ISSUE OPTIONS TO CONSULTANTS**

### **9.1 General**

The Company has engaged mining engineer Mr Neville Bergin, chartered accountant Mr Bernard Crawford and Company Secretary Ms Patricia Farr, to provide consulting services to the Company.

To align Messrs Bergin, Crawford and Farr's interests with those of Shareholders and to provide them with additional incentives in respect of the services they provide to the Company, the Company has agreed to issue Mr Bergin (or his nominee) up to 600,000 Options, Mr Crawford (or his nominee) up to 200,000 and Ms Farr (or her nominee) up to 200,000 Options. The Options will each have an exercise price of 50% greater than the Meeting date 5 day VWAP and a term of three years.

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Resolution 12 seeks Shareholder approval to issue up to 1,000,000 unlisted Options for the purposes of ASX Listing Rule 7.1.

## **9.2 ASX Listing Rule 7.1**

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

The effect of approving Resolution 12 is that the Company will be able to issue to unlisted Options during the period 3 months after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% annual placement capacity.

The terms and conditions of the unlisted Options are set out in Annexure C.

## **9.3 Technical information required by ASX Listing Rule 7.3**

In seeking Shareholder approval under Listing Rule 7.1, the following information is required to be provided to Shareholders under Listing Rule 7.3:

- (a) the maximum number of Options to be issued is 1,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options are being issued in connection with consulting services to be provided by Mr Bergin, Mr Crawford and Ms Farr and will be issued for no cash consideration;
- (d) the Options will be issued to Mr Bergin (or his nominee), Mr Crawford (or his nominee), Ms Farr (or her nominee). Neither Messrs Bergin, Crawford or Farr are related parties of the Company;
- (e) the full terms of the Options are set out in Annexure C; and
- (f) no funds will be raised from the issue of the Options as the Options are being issued for nil cash consideration in connection with consulting services provided by Mr Bergin, Mr Crawford and Ms Farr.

Resolution 12 is an ordinary resolution.

The Directors recommend that shareholders vote in favour of Resolution 12.

The Chair intends to vote undirected proxies in favour of Resolution 12.

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## SCHEDULE 1 DEFINITIONS

In this Notice and Explanatory Statement:

<b>10% Placement Facility</b>	has the meaning given in section 7.1 of this Explanatory Statement.
<b>10% Placement Period</b>	has the meaning given in section 7.2(f) of this Explanatory Statement.
<b>Annual General Meeting or Meeting or AGM</b>	Annual General Meeting of Shareholders or any meeting adjourned thereof, convened by the Notice.
<b>Annual Report or 2018 Annual Report</b>	the Company's annual report including the reports of the Directors and the auditor and the financial statements of the Company of the year ended 30 June 2018 which can be downloaded from the Company's website at <a href="http://www.musgraveminerals.com.au">www.musgraveminerals.com.au</a>
<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>ASX Listing Rules or Listing Rules</b>	the Listing Rules of the ASX.
<b>Board</b>	means the board of Directors.
<b>Business Day</b>	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Chairman</b>	means the Chairman of the Meeting.
<b>Closely Related Party</b>	means a spouse or child of the member, a child of the member's spouse, a dependent of the member or the member's spouse, anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; company the member controls; or a person prescribed by the Corporations Regulations 2001 (Cth).
<b>Company</b>	means Musgrave Minerals Limited ABN 12 143 890 671.
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.

<b>Equity Securities</b>	has the same meaning given in the Listing Rules.
<b>Explanatory Statement</b>	means this explanatory statement.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Notice</b>	means this notice of meeting.
<b>Option</b>	means an option to acquire a Share.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Directors' Report section of the Company's 2018 Annual Report.
<b>Resolution</b>	means a resolution set out in the Notice.
<b>Securities</b>	means a Share or an Option.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>Trading Days</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>VWAP</b>	means volume weighted average price as defined in the Listing Rules.
<b>WST</b>	means Western Standard Time.

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## ANNEXURE A – DIRECTOR OPTIONS TERMS AND CONDITIONS

The Director Options (Director Options) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The Director Options will expire at 5.00pm (WST) on 16 November 2021 (Expiry Date). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Director Option will be set at the price that is 50% greater than the 5 day VWAP of the Shares on ASX 5 days prior to the day that Shareholder approval is obtained for the grant of the Director Options.
- (d) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised,(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (h) The Director Options may be transferable subject to Board approval and compliance with the Corporations Act and the ASX Listing Rules (where applicable).
- (i) All Shares issued upon the exercise of Director Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Director Options on ASX on or before the issue date of those Shares. To the extent any Shareholder or regulatory approval is required by the Company for the issue of any Shares the subject of any exercise notice (Approval), the Company shall use its best endeavours to seek the Approval and upon receipt, the Company will issue the relevant Shares within five (5) Business Days following Approval.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- 
- (l) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
  - (m) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

## ANNEXURE B – VALUATION OF DIRECTORS OPTIONS

The Director Options to be issued to the Directors pursuant to Resolutions 8 to 11 have been valued by Stantons International Securities using the Black and Scholes option valuation methodology.

Using the Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed the following values:

<b>Assumptions:</b>	
<b>Valuation date</b>	21 September 2018
<b>Market price of Shares (closing price)</b>	\$0.073 being the closing price as at 20 September 2018
<b>Director Options</b>	
- <b>Number of Director Options</b>	6,500,000
- <b>Exercise price*</b>	\$0.1125
- <b>Expiry date</b>	16 November 2021 (36 months)
<b>Risk free interest rate</b>	2.12%
<b>Volatility</b>	60%
<b>Indicative value per Director Option</b>	<b>\$0.02226</b>
<b>Total value of Director Options</b>	<b>\$144,690</b>
<b>Mr Robert Waugh</b>	
- Number of Director Options	3,000,000
- Value of Director Options	\$66,780
<b>Mr Graham Ascough</b>	
- Number of Director Options	1,500,000
- Value of Director Options	\$33,390
<b>Mrs Kelly Ross</b>	
- Number of Director Options	1,000,000
- Value of Director Options	\$22,260
<b>Mr John Percival</b>	
- Number of Director Options	1,000,000
- Value of Director Options	\$22,260

\* The actual exercise price of the Director Options will be based on the price that is 50% greater than 5 day VWAP of the Shares on the ASX 5 days prior to the day that Shareholder approval is obtained.

**Note:** The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.



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## ANNEXURE C – TERMS AND CONDITIONS OPTIONS TO CONSULTANTS

The Consultant Options (Consultant Options) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Consultant Option gives the Optionholder the right to subscribe for one Share.
- (b) The Consultant Options will expire at 5.00pm (WST) on 16 November 2021 (Expiry Date). Any Consultant Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Consultant Option will be set at the price that is 50% greater than the 5 day VWAP of the Shares on ASX 5 days prior to the day that Shareholder approval is obtained for the grant of the Consultant Options.
- (d) The Consultant Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Consultant Options by lodging with the Company, before the Expiry Date:
  - (iii) a written notice of exercise of Consultant Options specifying the number of Consultant Options being exercised; and
  - (iv) a cheque or electronic funds transfer for the Exercise Price for the number of Consultant Options being exercised,(Exercise Notice).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Consultant Options specified in the Exercise Notice.
- (h) The Consultant Options may be transferable subject to Board approval and compliance with the Corporations Act and the ASX Listing Rules (where applicable).
- (i) All Shares issued upon the exercise of Consultant Options will upon issue rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Consultant Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Consultant Options on ASX on or before the issue date of those Shares. To the extent any Shareholder or regulatory approval is required by the Company for the issue of any Shares the subject of any exercise notice (Approval), the Company shall use its best endeavours to seek the Approval and upon receipt, the Company will issue the relevant Shares within five (5) Business Days following Approval.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- 
- (l) There are no participating rights or entitlements inherent in the Consultant Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Consultant Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 5 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Consultant Options prior to the date for determining entitlements to participate in any such issue.
  - (m) A Consultant Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Consultant Option can be exercised.

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# MUSGRAVE



ABN 12 143 890 671

MGV

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

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://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](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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: 999999

SRN/HIN: I999999999

PIN: 99999

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 (WST) Wednesday, 14 November 2018**

### 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

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

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

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

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



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

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

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I/We being a member/s of Musgrave Minerals 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 Musgrave Minerals Limited to be held at The Kings Park Room, Level 1, Quest West Perth, 54 Kings Park Road, West Perth, Western Australia on Friday, 16 November 2018 at 10.00am (WST) 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 8 to 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 8 to 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. However, where the Chairman is the related party the subject of Resolutions 1 and 8 to 11 or is an associate of the related party, the Chairman will be excluded from voting undirected proxies.

**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 8 to 11 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.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Remuneration Report (Non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - John Percival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of Issue of Options to Director - Mr Robert Waugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Equity Securities - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Issue of Options to Director - Mr Graham Ascough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue of Equity Securities - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of Issue of Options to Director - Mrs Kelly Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Equity Securities - Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Approval of Issue of Options to Director - Mr John Percival	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 12	Approval of the Issue of Options to Consultants	<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 / /