

East Africa Resources Limited

To be renamed Threat Protect Australia Limited, subject to Shareholder approval.

ACN 060 774 227

Notice of General Meeting

10:00am

5 August 2015

QV1 Conference Centre
250 St Georges Terrace
Perth, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6363 7097.

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Important notices

General

This Notice of Meeting is dated 3 July 2015.

Shareholders should read this document in its entirety before making a decision as to how to vote on the Resolutions.

Purpose of this document

The main purpose of this document is to explain the terms of a proposed change of activities of East Africa through the Threat Protect Acquisition, and the manner in which that transaction will be implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions to give effect to these matters.

Preparation of and responsibility for this document

This document has been prepared by East Africa and its board of directors and East Africa and those directors are responsible for this document.

The ASX does not take any responsibility for the contents of this Notice of Meeting, and the fact that the ASX may re-admit the securities of East Africa to quotation on its official list is not to be taken in any way as an indication of the merits of East Africa.

Defined terms and glossary

Capitalised terms and certain abbreviations used in this document have the defined meanings set out in the Glossary on page 43.

Investment decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any Shareholder or any other person. Shareholders should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other appropriate adviser.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 8 6363 7097 if they have any queries in respect of the matters set out in this Notice of Meeting or the accompanying Explanatory Statement.

Time and place of Meeting and how to vote

Time and place of Meeting

Notice is given that the General Meeting will be held at 10:00am WST on 5 August 2015 at the QV1 Conference Centre, 250 St Georges Terrace, Perth, Western Australia.

Your vote is important

The business of the General Meeting affects your shareholding and your vote is important.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and Proxy Form each form part of this Notice of Meeting.

Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00pm WST on 3 August 2015.

Voting in person

To vote in person, attend the General Meeting at the time, place and date set out above.

Voting by proxy

In accordance with section 249L of the Corporations Act, members are advised that:

- (a) each member has a right to appoint a proxy;
- (b) the proxy need not be a member of East Africa; and
- (c) a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these sections, as they will apply to this Meeting. Broadly, the sections mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these legislative requirements are set out below.

Proxy vote if appointment specifies way to vote

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Business of the General Meeting

Resolution 1 – Change to nature and scale of activities

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

“That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as set out in the Explanatory Statement including, without limitation, through the Threat Protect Acquisition.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by a 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 2 – Consolidation of capital

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

“That, subject to the passing of each other Acquisition Resolution, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 4 Shares be consolidated into 1 Share and every 4 Options be consolidated into 1 Option and, where this Consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction down to the nearest whole number.”

Resolution 3 – Issue of Consideration Shares to Threat Protect Vendors

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

“That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 165,000,000 Shares (on a post-Consolidation basis) to the Threat Protect Vendors (or their respective nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue and any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

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

Resolution 4 – Issue of Shares to Threat Protect Noteholders

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue such number of Shares (on a post-Consolidation basis) to the Threat Protect Noteholders (or their respective nominees) as is calculated in accordance with the formula set out in the Explanatory Statement, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue and any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

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

Resolution 5 – Issue of Options to advisers, brokers and promoters

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 85,000,000 Options to advisers, brokers and promoters or their respective nominee(s) (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue and any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

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

Resolution 6 – Capital Raising

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 275,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of \$0.02 per Share to raise \$5,500,000 on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (and their associates) who may participate in the proposed issue and any person (and their associates) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

However, the Company need not disregard a vote if:

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

Resolution 7 – Election of Director, Demetrios Pynes

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

"That, subject to the passing of each other Acquisition Resolution and the successful completion of the Threat Protect Acquisition, for the purpose of clause 11.2 of the Constitution and for all other purposes, Demetrios Pynes who, being eligible and having consented to act, be elected as a director of the Company on and from the date of completion of the Threat Protect Acquisition."

Resolution 8 – Election of Director, Paolo Ferrara

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

"That, subject to the passing of each other Acquisition Resolution and the successful completion of the Threat Protect Acquisition, for the purpose of clause 11.2 of the Constitution and for all other purposes, Paolo Ferrara who, being eligible and having consented to act, be elected as a director of the Company on and from the date of completion of the Threat Protect Acquisition."

Resolution 9 – Election of Director, Derek La Ferla

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

"That, subject to the passing of each other Acquisition Resolution and the successful completion of the Threat Protect Acquisition, for the purpose of clause 11.2 of the Constitution and for all other purposes, Derek La Ferla who, being eligible and having consented to act, be elected as a director of the Company on and from the date of completion of the Threat Protect Acquisition."

Resolution 10 – Change of Company name

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

"That, subject to the passing of each other Acquisition Resolution, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "Threat Protect Australia Limited", and for all references to the Company's name in the Constitution to be replaced with Threat Protect Australia Limited."

Resolution 11 – Issue of Options to Proposed Director, Demetrios Pynes

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Demetrios Pynes (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Demetrios Pynes (and his nominee) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 12 – Issue of Options to Proposed Director, Paolo Ferrara

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Paolo Ferrara (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Paolo Ferrara (and his nominee) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 13 – Issue of Options to Proposed Director, Derek La Ferla

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Derek La Ferla (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Derek La Ferla (and his nominee) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 14 – Issue of Shares to Threat Protect Director, Demetrios Pynes

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 8,927,382 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share to Threat Protect Director, Demetrios Pynes (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Demetrios Pynes (and his nominee) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 15 – Issue of Shares to Threat Protect Director, Paolo Ferrara

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue 6,638,271 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share to Threat Protect Director, Paolo Ferrara (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Paolo Ferrara (and his nominee) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 16 – Issue of Shares in satisfaction of Threat Protect loans

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

"That, subject to the passing of each other Acquisition Resolution, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 15,000,000 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share in satisfaction of amounts owed by Threat Protect on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Quicksilver Asset and Siren Nominees (and their nominees) and any of their associates and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

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

Resolution 17 – Issue of Shares to former Director, Peter Munachen

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 729,150 Shares (on a post-Consolidation basis) to Peter Munachen (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Peter Munachen (and his nominee) and any of his or their associates.

However, the Company need not disregard a vote if:

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

Resolution 18 – Issue of Shares to former Director, Henry (“David”) Kennedy

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 729,150 Shares (on a post-Consolidation basis) to Henry (“David”) Kennedy (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by David Kennedy (or his nominee) and any of his or their associates.

However, the Company need not disregard a vote if:

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

Resolution 19 – Issue of Shares to current Director, Michael Griffiths

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 937,500 Shares (on a post-Consolidation basis) to Michael Griffiths (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Michael Griffiths (or his nominee) and any of his or their associates.

However, the Company need not disregard a vote if:

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

Resolution 20 – Issue of Shares to current Director, Robert Kirtlan

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 937,500 Shares (on a post-Consolidation basis) to Robert Kirtlan (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Robert Kirtlan (or his nominee) and any of his or their associates.

However, the Company need not disregard a vote if:

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

Resolution 21 – Ratification of prior issue of Shares

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of 46,250,000 Shares (on a pre-Consolidation basis) on the terms and conditions set out in the Explanatory Statement be and is hereby ratified.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person (or their associates) who participated in the issue.

However, the Company need not disregard a vote if:

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

Dated: 3 July 2015.

By order of the Board

**Eva Witheridge
Company Secretary**

Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

The main purpose of the Meeting is to seek from Shareholders the approvals required for a change to the nature and scale of the Company's activities and the various approvals arising from the Threat Protect Acquisition.

Part 1 – Overview of the Threat Protect Acquisition

1. Current operations and background to East Africa

East Africa Limited is a Perth based public company listed on the official list of ASX (ASX Code: EAF).

The Company has historically operated as a uranium exploration company with interests in Tanzania. The Company's main exploration asset is the Madaba Project consisting of 3 tenements covering 617km² in the south-east of Tanzania.

Recently, the Company's Directors have been mindful of the state of the Australian share market and the financing difficulties in the global junior resources sector. It has become clear that current market conditions make it very difficult to raise funds to continue to explore the exploration projects which the Company holds in Tanzania. The Board has therefore assessed a number of opportunities to enhance Shareholder value, culminating in the announcement on 24 April 2015 of the proposed Threat Protect Acquisition.

As set out in that announcement, the Company also intends to dispose of its mineral tenements and exploration businesses following completion of the Acquisition. The Directors will continue to explore the mechanisms by which this disposal might be effected in the best interests of Shareholders, whether by way of asset or share sale, demerger, or otherwise.

Following completion of the Threat Protect Acquisition, the Company will explore opportunities for the disposal of its Tanzanian tenements or the entities which hold those tenements. If the Company does not regard any such opportunities for disposal as commercial, the Company intends to pursue liquidation of those entities.

2. Change to the nature and scale of activities

The Threat Protect Acquisition involves a significant change to the nature of the Company's main business activity from exploring for minerals to the provision of security, monitoring and risk management services. Furthermore, the Threat Protect Acquisition involves a significant change to the size of the Company's business operations. Given these circumstances, ASX has exercised its discretion to require the significant change to the nature and scale of the Company's main business activity to be approved by the Company's Shareholders under ASX Listing Rule 11.1.2. This approval is sought from Shareholders in Resolution 1.

3. Information on the Threat Protect business

Threat Protect is focused on bringing security as an integrated product to the lives of every day Australians and their businesses. Threat Protect is a provider of security, monitoring and risk management solutions to an ever growing and security conscious market. Alarm monitoring services are a significant growth area as they provide better security at a relatively low cost to clients.

Incorporated on 15 February 2011, Threat Protect was established to build on operating businesses within the security industry with the objective of securing diversified recurring income streams that historically have had low service cancellation rates in periods of economic uncertainty.

Initially, Threat Protect was a reseller of monitoring services provided by another monitoring facility, but held the long term objective of owning its own monitoring facility so as to create a vertically integrated operation. This was achieved in 2012 with the acquisition of the East Perth monitoring facility which resulted in a significant increase in recurring revenue in that year from both acquisition and organic successes.

Directly and through its reseller base, Threat Protect offers:

- 24-hour monitoring of electronic security systems using a variety of connection methods
- Design, installation and maintenance of security systems including alarms and CCTV
- Remote viewing of CCTV cameras
- App based duress and personal tracking facilities
- Vehicle based location tracking services
- Security Personnel services
- Corporate risk management consulting

Threat Protect's Police licensed operators all come with extensive experience within the security and law enforcement industries and are trained to quickly action the agreed instructions should an alarm be activated.

Threat Protect's facility provides a key infrastructure asset from which to leverage its business, taking advantage of its predominantly fixed costs and low labour requirement.

Threat Protect's facility has been graded to the highest level, being "A1" under the Australian Standards, due to meeting requirements that cover confidentiality and information security, physical resistance to external attack and general redundancy in times of disaster.

The IBIS World Industry Report 07712 January 2014 states that *"Alarm monitoring has wide appeal due to its cash flow capabilities. Since alarms are monitored from a central control room, overheads are generally fixed. Also, once a break even number of clients is reached, additional clients are almost totally extra profit."*

Since 2011, Demetrios Pynes, Paolo Ferrara and their business associates have successfully managed the acquisition and integration of four security businesses to form the Threat Protect group:

- **Lynke Security** (acquired in 2011): Lynke provided the initial infrastructure and client base from which to build Threat Protect's guarding and consulting units.
- **VIP Electronic Security** (acquired in 2011): VIP Electronic Security was Threat Protect's first acquisition of a monitored security client base, bringing at the time of acquisition over 900 monitored clients to Threat Protect.
- **Checkpoint Security & Alarm & Video Monitoring Centre (AVMC)** (acquired in 2012): Alarm and Video Monitoring Centre was the entity providing monitoring services to the VIP Electronic Security client base. Acquiring AVMC provided Threat Protect with the Grade A1 Control Room infrastructure and also with a reseller network which represented an additional 4,000 monitored clients.
- **Goldfields Commercial Security** (acquired in 2013): Goldfields was located in Kalgoorlie with a client base of approximately 1,000 monitored clients. As these clients were monitored through Alarm & Video Monitoring Centre, the acquisition effectively converted 900 relationships from a reseller relationship to a retail basis.

Currently, Threat Protect delivers its services to over 10,600 domestic and commercial customers through its direct and reseller networks. These resellers are other licensed security firms who do not have their own secure facility and utilise Threat Protect to deliver the monitoring capability on their behalf, effectively a "white labelling" offer. Threat Protect is actively growing its reseller base and offering its entire product suite through this effective distribution channel.

Threat Protect has two outstanding options to acquire security businesses (one via the acquisition of assets (**Acquisition Option No. 1**) and the second via the acquisition of shares (**Acquisition Option No. 2**)), subject to due diligence (together, the **Acquisition Options**). Should Threat Protect complete the acquisition of those businesses, it intends to consolidate their operations with Threat Protect's existing business operations serviced from the current East Perth control room. At the completion of this integration, the East Perth control room will service approximately 19,500 customers which will represent approximately 20% of the control room service capacity of 100,000 customers.

In addition to developing the organic growth opportunities, Threat Protect will actively seek opportunities to acquire monitored security client bases from other security companies who are seeking a liquidity event. Operating in a highly fragmented industry, Threat Protect will continue its current strategy of consolidation.

Strategic growth plan

Threat Protect has a well-developed strategic growth plan, focussed on the further utilisation of its core operating assets. As part of this strategic growth plan upon successful completion of the Threat Protect Acquisition, Threat Protect intends to:

- exercise the Acquisition Options, which will increase Threat Protect's total customer base to approximately 19,500 customers, with the aim of growing top line revenue without significantly increasing its current operating costs; and

- launch across both its existing customer base and to the wider public a Threat Protect monitored 24-hour remote “back to base” monitoring Smart App, which allows a mobile phone user to have their own personal duress alarm that can be used worldwide, on any mobile phone network. This product also enables the premises to be monitored without the requirement for a telephone land line, and provides additional functionality to the user by allowing remote arming and disarming of the security system, as well as the ability to remotely control other equipment such as lighting or air-conditioning. The duress activation is managed by the experienced and licensed personnel who staff Threat Protect’s 24 hour control room and who immediately have access to the position of the user via GPS to co-ordinate an appropriate response. This Smart App is currently being marketed to existing clients of Threat Protect and a dedicated marketing plan to the greater Australian and Asian locations is being finalised.

This technology will expand the potential client base from Australian domiciled premises to individuals internationally. It will also provide a security solution that addresses the general trend in Australia for residences ceasing to retain a land line phone or using an internet based communication method as the National Broadband Network gains momentum.

4. Financial performance history

In assessing the appropriateness of the Threat Protect acquisition, the Directors have evaluated the forward prospects of Threat Protect. Further detail on Threat Protect will be contained in the Prospectus.

The following table summarises the historical income statements of the Threat Protect business for the period between July 2012 and December 2014. This information has been extracted from Threat Protect’s audited financial statements:

(\$'000s)	Historical		
	FY13	FY14	Dec-14
Total revenue	4,875	5,151	2,576
Operating costs	(5,500)	(5,955)	(3,007)
EBITDA	(625)	(804)	(431)
Depreciation & amortisation	(91)	(110)	(43)
Impairments	(146)	(1,199)	4
Net interest expense	(171)	(385)	(232)
Net profit (loss) before tax	(1,033)	(2,498)	(702)
Income tax (expense) benefit	0	0	0
Net profit (loss) after tax	(1,033)	(2,498)	(702)

5. Key terms of the Threat Protect Acquisition

On 24 April 2015 the Company entered in to a Binding Terms Sheet with Threat Protect which provided for the acquisition by the Company of all the issued share capital of Threat Protect.

The Binding Terms Sheet envisaged that a definitive sale and purchase agreement would be entered into between the Company and the Threat Protect Vendors. Accordingly, the parties have negotiated the terms of the formal Share Sale & Purchase Agreement, which are broadly as follows:

- 5.1 In consideration for the acquisition of 100% of the shares in Threat Protect, the Company agrees to issue the Threat Protect Vendors a total of 165 million Consideration Shares in proportion to their respective shareholdings in Threat Protect.
- 5.2 Completion under the Share Sale & Purchase Agreement (**Completion**) is conditional on each of the following conditions being satisfied within 4 months of the date of the Share Sale & Purchase Agreement (together, the **Conditions**):
- (a) Shareholders passing each of the Acquisition Resolutions at the General Meeting, namely the Resolutions to approve:
 - (i) the Consolidation;
 - (ii) the Acquisition for the purposes of Listing Rule 11.1.2;
 - (iii) the issue of the Consideration Shares;
 - (iv) the issue of Shares (on a post-Consolidation basis) at an issue price of \$0.02 per Share pursuant to the Capital Raising;
 - (v) the issue of Shares (on a post-Consolidation basis) at a deemed issue price of \$0.016 per Share upon conversion of \$590,000 in outstanding Threat Protect Convertible Notes;
 - (vi) the issue of Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share in satisfaction of \$66,666 of outstanding directors' fees payable to the current and former directors of Company;
 - (vii) the issue of up to 85 million Options (on a post-Consolidation basis) to brokers, promoters and advisers in connection with the Acquisition and the Capital Raising;
 - (viii) the issue of Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share in satisfaction of amounts owed by Threat Protect to Demetrios Pynes and Paolo Ferrara in respect of director loans and accrued leave entitlements (**Threat Protect Director Entitlements**);

- (ix) the appointment of each of the Proposed Directors as directors of the Company with effect from completion of the Acquisition;
 - (x) the issue of 5 million Options (on a post-Consolidation basis) to each of the Proposed Directors (being 15 million Options in aggregate);
 - (xi) the issue of 15 million Shares in aggregate to Quicksilver Asset and Siren Nominees in satisfaction of \$300,000 in outstanding loans owed by the Company to those parties; and
 - (xii) the change of the Company's name to 'Threat Protect Australia Limited';
- (b) ASX granting the Company's application for waivers of:
- (i) ASX Listing Rule 2.1 (Condition 2), to allow the Company to issue Shares at \$0.02 per Share and to issue Shares upon conversion of the Threat Protect Convertible Notes at a conversion price of \$0.016 per Share; and
 - (ii) ASX Listing Rule 1.1 (Condition 11), to permit the Company to have Options on issue with an exercise price of less than \$0.20 each;
- (c) for the purposes of ASX Listing Rule 11.1.3, the Company:
- (i) meeting the requirements in chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of ASX; and
 - (ii) receiving conditional approval from ASX to the reinstatement of its ordinary securities to trading on ASX, on terms and conditions reasonably acceptable to the parties; and
- (d) Threat Protect receiving a consent to the change in control of Threat Protect from each of the following contract parties, in a form satisfactory to the Company:
- (i) Quicksilver Asset Pty Ltd;
 - (ii) Cape Equity Pty Ltd; and
 - (iii) Westpac Bank.

5.3 Under the Share Sale & Purchase Agreement, the Company undertakes until Completion:

- (a) not to grant any option to subscribe for any security in the Company or allot or issue or agree to allot or issue any security, option, share or loan capital or any security convertible into any share or loan capital in the Company;

- (b) not to resolve to reduce its share capital in any way;
- (c) not to conduct a buy-back of securities in the Company or resolve to approve the terms of a buy-back of securities in the Company;
- (d) not to resolve any new programs or budgets;
- (e) not to create, or agree or offer to create, any security interest;
- (f) to conduct its business in accordance with the lawful requirements of all relevant laws, statutes and regulations and observe all lawful orders and requirements of every court and authority;
- (g) not to enter into any contract or transaction other than in the ordinary course of business, without the prior written approval of the sellers’;
- (h) to allow the Vendors to have access to the records and accounts of the Company;
- (i) to receive authorisation from the Vendors before any payment greater than \$25,000 is made by the Company; and
- (j) not to enter into any contract or commitment requiring it to sell or divest any assets of the Company.

5.4 Completion must occur on the date falling 5 business days after the satisfaction or waiver of the last of the Conditions (or such other date as is agreed by the parties).

5.5 At Completion, each of Demetrios Pynes and Paolo Ferrara agree to deliver to the Company a discharge and release of their respective Threat Protect Director Entitlements. In exchange, the Company agrees to issue 8,927,382 Shares (on a post-Consolidation basis) to Mr Pynes and 6,638,271 Shares (on a post-Consolidation basis) to Mr Ferrara in full satisfaction of the outstanding liability in respect of the Threat Protect Director Entitlements.

5.6 Each of the Vendors provides limited warranties to the Company which are considered standard for a transaction of this nature. The Company also provides limited warranties to each Vendor which are considered standard for a transaction of this nature.

5.7 The Share Sale & Purchase Agreement is governed by the laws of Western Australia.

6. Board changes

On completion of the Threat Protect Acquisition the Company proposes to appoint to the Board Mr Demetrios Pynes as Managing Director, Mr Paolo Ferrara as Executive Director and Mr Derek La Ferla as Non-Executive Chairman. Further, it is proposed that Rob Kirtlan and Mike Griffiths (current Non-Executive Chairman and Non-Executive Director, respectively) will resign as directors of the Company.

7. Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

ASX has notified the Company that the significant change to the nature and scale of the Company's main business activity arising from the Threat Protect Acquisition will require re-compliance with ASX's admission requirements in chapters 1 and 2 of the ASX Listing Rules.

In accordance with guidelines published by ASX, the Company intends requesting a trading halt under ASX Listing Rule 17.1 to apply from the start of trading on the date of the General Meeting (failing which, ASX has indicated that it will suspend trading in the Company's securities before trading starts on that date). Then, if Shareholders approve the change to the nature and scale of activities of the Company and the other Acquisition Resolutions, trading in the Company's securities will be immediately suspended until re-compliance with the admission requirements is achieved.

8. Pro-forma capital structure

The effect of the issue of the Consideration Shares on the Company's capital structure is set out in the following table:

TABLE 8.1	Shares	Options
Current Issued Capital	89,865,190	900,000
Consideration Shares	165,000,000	Nil
Total issued capital following issue of the Consideration Shares assuming none of the current issued Options are exercised before issue of the Consideration Shares³	254,865,190	900,000
Total issued capital following issue of the Consideration Shares assuming all current issued Options are exercised before issue of the Consideration Shares³	255,765,190	Nil

Notes:

1. All numbers in the above table are stated on a post-Consolidation basis, ignoring the treatment of fractional entitlements under the Consolidation.
2. In respect of the Options:
 - 300,000 Options exercisable at \$0.1336 each, expiring 29 November 2017;
 - 300,000 Options exercisable at \$0.40 each, expiring 29 November 2017; and
 - 300,000 Options exercisable at \$0.60 each, expiring 29 November 2017.
3. As the last sale on the ASX on 2 July 2015 was \$0.004, the Options are not "in the money" (taking account of the Consolidation).

The Company's capital structure following completion of the Threat Protect Acquisition, Capital Raising, issue of Shares to the Threat Protect Noteholders, the issue of Shares to the Threat Protect Directors, the Company's current and former Directors, the issue of Shares contemplated by Resolution 16 and the issue of Options contemplated by Resolutions 5, 11, 12 and 13 is set out in the following table:

TABLE 8.2	Shares	Options
Total issued capital following issue of the Consideration Shares assuming none of the current issued Options are exercised before issue of the Consideration Shares (Resolution 3)	254,865,190	900,000
Issued to Threat Protect Noteholders (Resolution 4) ⁴	36,875,000	Nil
Issue to brokers, advisers, promoters (Resolution 5)	Nil	85,000,000
Issue pursuant to Capital Raising (Resolution 6)	275,000,000	Nil
Issue to Proposed Directors (Resolutions 11 – 13)	Nil	15,000,000
Issue to Threat Protect Directors (Resolutions 14 – 15)	15,565,700	Nil
Issue in satisfaction of Threat Protect loans (Resolution 16)	15,000,000	Nil
Issue to current and former Company Directors (Resolutions 17 – 20)	3,333,300	Nil
Total issued capital on re-instatement assuming none of the current issued Options are exercised before reinstatement³	600,639,190	100,900,000
Total issued capital on re-instatement assuming all of the current issued Options are exercised before reinstatement³	601,539,190	100,000,000

Notes:

1. All numbers in the above table are stated on a post-Consolidation basis, ignoring the treatment of fractional entitlements under the Consolidation.
2. This assumes that pursuant to Resolution 5, the maximum number of 85,000,000 Options are issued and that pursuant to Resolution 6, the maximum number of 275,000,000 Shares are issued under the Capital Raising.
3. As the last sale on the ASX on 2 July 2015 was \$0.004, the Options are not "in the money" (taking account of the Consolidation) and it is therefore unlikely that they will be exercised before the Company's re-instatement to trading on ASX.
4. Disregarding Shares to be issued in satisfaction of accrued interest.

9. Indicative timetable

An indicative timetable for re-compliance with the admission requirements is set out in the following table:

Event	Date
Lodge Prospectus with ASIC and ASX	6 July 2015
Opening of Offer	14 July 2015
Suspension from trading	Pre-market open on 5 August 2015
General Meeting	5 August 2015
Close of Offer	12 August 2015
Completion of Consolidation	13 August 2015
Completion of Threat Protect Acquisition and issue of Shares under the Prospectus	13 August 2015
Expected date for re-quotations of the Company's securities on ASX	17 August 2015

Note: The above dates are indicative only and are subject to change without notice.

10. Pro-forma statement of financial position

Set out in Annexure A is a pro-forma consolidated statement of financial position of the Company taking into account the Threat Protect Acquisition. The pro-forma statement of financial position has been prepared to show the effect of the Threat Protect Acquisition, the Capital Raising, the other issues of securities contemplated by this Notice and the liquidation of the entities which hold the Company's Tanzanian tenements (as referred to in Part 1, section 1 of this Explanatory Statement), as if they had occurred on 1 January 2015.

11. Advantages and disadvantages of the Threat Protect Acquisition

This section sets out the key advantages and disadvantages of the Threat Protect Acquisition. Your Directors believe the advantages of the proposed transactions substantially outweigh the disadvantages.

Advantages

- The Threat Protect Acquisition exposes Shareholders to a business with significant potential for growth. Assuming that the Capital Raising is fully subscribed, the business will be well capitalised, with approximately \$4,500,000 in cash which will primarily be used for working capital, the acquisition of two new businesses (as discussed in section 3 above), marketing and growth opportunities as well as continued technology development. Further details of the Company's proposed use of funds raised is included under the heading 'Resolution 6' in Part 2 of the Explanatory Statement.
- A larger market capitalisation and enhanced Shareholder base resulting from the Threat Protect Acquisition and Capital Raising may provide a more liquid market for the Company's Shares than currently exists.
- The appointment of the Proposed Directors will add skill and experience to the Board to assist with the Company's growth.
- The Company's ability to raise funds and attract expertise will likely be improved.
- The Threat Protect Acquisition may encourage new investors in the Company as the Company will be pursuing a new strategic direction. This improvement in the attractiveness of an investment in the Company may lead to an increased liquidity of Shares and greater trading depth than currently experienced by Shareholders.
- Shareholders may be exposed to further debt and equity funding opportunities that the Company did not have before the Threat Protect Acquisition.

Disadvantages

- Assuming the Capital Raising is fully subscribed, the Threat Protect Acquisition and the passing of the Acquisition Resolutions will result in Shareholders' interests in the Company being diluted by approximately 84.5% (on an undiluted basis).
- The change in the nature of the Company's business to a security monitoring and risk management service business may not be consistent with the investment strategies of existing investors.

- The Company and its Shareholders will be exposed to risks associated with Threat Protect and its business, including (but not limited to) those set out in paragraph 12 below.
- Should the Threat Protect Acquisition complete, existing Shareholders' voting power in the Company will decrease. Accordingly, their ability to influence decisions, including the composition of the Board or the acquisition or disposal of assets will be reduced accordingly.

12. Risks

Specific risk factors

- **Licence risk:** Threat Protect's business relies on the grant of a Crowd Control Agent's Licence, an Inquiry Agent's Licence and a Security Agent's Licence (together, the **Licences**) pursuant to the *Security and Related Activities (Control) Act 1996* (WA) (**Security Act**). The Security Act provides that these Licences can only be issued to a natural person. Whilst a natural person may hold the Licences on behalf of a body corporate if they are an officer of the body, the Licences terminate automatically (and are non-transferable) if the person ceases to be an officer of the body corporate. Threat Protect's Licences are held by Mr Paolo Ferrara (a Proposed Director of the Company and an existing director of Threat Protect). If Mr Ferrara ceases to be an officer of Threat Protect, Threat Protect would need to have a new officer approved to hold the Licences required to run the business. There is therefore a risk that delays could occur in the approval of a new Licence holder which, if protracted, could result in Threat Protect experiencing business interruption until such time as the new Licences are granted.
- **Changes to licensing regime impacting on operating costs:** Threat Protect is licensed to operate as a security business under the Security Act and delivers its monitoring service in accordance with Australian Standard 2201.2:2004. Threat Protect therefore incurs costs associated with compliance with this regulatory regime. If changes occur to this regime, additional administrative or technical expense may be required to ensure ongoing compliance. Additionally, a failure by Threat Protect to meet its obligations (current and potential) could result in penalties and fines being imposed on Threat Protect.
- **Reliance on information and telecommunications systems:** Threat Protect is heavily reliant on information and telecommunications systems to deliver its primary service of back to base (remote) monitoring. Whilst these systems have multiple layers of redundancy in accordance with both legislative and Australian Standards requirements, a substantive and disruptive change to the technology surrounding telecommunications could pose a significant risk to Threat Protect if it is unable to respond to the change.
- **Inability to execute acquisition strategy:** Threat Protect's business plan includes both organic and acquisition based strategies to increase revenues. An inability to identify, negotiate and fund acquisitions within financial guidelines determined by Threat Protect's directors could limit the speed at which Threat Protect can take advantage of its predominantly fixed operating costs via bolt-on acquisitions.
- **Current litigation:**
 - (a) **Federal Court proceedings:** Goldfields Commercial Security Pty Ltd (a subsidiary of Threat Protect) (**Goldfields**) is the respondent in current Federal

Court proceedings commenced by the Deputy Commissioner of Taxation (**DCT**) relating to unpaid company tax in the amount of \$120,798.76. The tax liability crystallised prior to the date Threat Protect acquired Goldfields and Threat Protect considers that under the terms of the sale and purchase agreement pursuant to which Threat Protect acquired Goldfields (**Goldfields SPA**), this tax liability is the responsibility of the vendors of Goldfields. Goldfields has agreed with the DCT to pay the amount in full and this amount will be included in Threat Protect's proposed counterclaim against the vendors of Goldfields (as discussed in paragraph (b) below).

- (b) **Supreme Court of Western Australia proceedings:** Threat Protect is the respondent in current Supreme Court of Western Australia proceedings commenced by Edward James Meyers and Jeanne Meyers (together, the **Plaintiffs**). The Plaintiffs have commenced the proceedings to recover allegedly unpaid deferred consideration instalments under the terms of the Goldfields SPA which was executed by Threat Protect (as purchaser) and the Plaintiffs (as vendors) on 1 July 2013. Threat Protect is defending the Plaintiffs' action and in doing so, has counterclaimed certain amounts, including the unpaid Goldfields company tax the subject of the Federal Court proceedings outlined above. Whilst this matter remains ongoing, there will continue to be a financial impact on the Threat Protect group.

General risk factors

- **Economic conditions:** Threat Protect's performance is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some or all of the factors listed below:
 - (a) future demand for security, monitoring and risk management services;
 - (b) general financial issues which may affect policies, exchange rates, inflation and interest rates;
 - (c) deterioration in economic conditions, possibly leading to reductions in consumer spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance;
 - (d) the strength of the equity and share markets in Australia and throughout the world;
 - (e) financial failure or default by any entity with which Threat Protect may become involved in a contractual relationship;
 - (f) industrial disputes in Australia and overseas;
 - (g) changes in investor sentiment toward particular market sectors;
 - (h) the demand for, and supply of, capital; and
 - (i) terrorism or other hostilities.
- **Government policies and legislation:** Threat Protect's business may be affected by changes to government policies and legislation, including those relating to privacy, and taxation.

- **Insurance:** The Company, wherever practicable and economically advisable, utilises insurance to mitigate business risks. Such insurance may not always be available or particular risks may fall outside the scope of insurance cover. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.
- **Litigation:** Litigation brought by third parties including but not limited to customers, partners, suppliers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Company's insurance.
- **Other general risks:** Other general risks associated with investment in the Company may include:
 - (a) fluctuation of the price at which the Company's shares trade due to market factors; and
 - (b) price volatility of the Company's shares in response to factors such as:
 - (i) additions or departures of key personnel;
 - (ii) litigation and legislative change;
 - (iii) press newspaper or other media reports; and
 - (iv) actual or anticipated variations in the Company's operating results.

13. Future direction for the Company if the change to nature and scale of activities is not approved

If the Acquisition Resolutions are not passed, the Threat Protect Acquisition and the Capital Raising will not proceed. In this circumstance the Company will continue with its present activities and the evaluation of potential opportunities that might meet criteria capable of adding significant Shareholder value.

14. Directors' recommendation

The Directors consider that the proposed change to the nature and scale of activities of the Company arising from the Threat Protect Acquisition has the potential to add significant Shareholder value for the Company's Shareholders.

Accordingly, the Directors recommend the Threat Protect Acquisition, and that Shareholders vote in favour of the Acquisition Resolutions.

Part 2 – Explanation of the Proposed Resolutions

Resolution 1 – Change to nature and scale of activities

Background

ASX Listing Rule 11.1 provides that if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. Further, the following rules apply in relation to the proposed change:

- (a) the entity must give ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, the entity must get the approval of holders of its ordinary securities; and
- (c) if ASX requires, the entity must meet the requirements in chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list.

The acquisition by the Company of all the issued share capital of Threat Protect involves a significant change to the nature of the Company's main business activity from exploring for minerals to the provision of security, monitoring and risk management services. Furthermore, the Threat Protect Acquisition involves a significant change to the size of the Company's business operations.

Given these circumstances, ASX has exercised its discretion to require the significant change to the nature and scale of the Company's main business activity to be approved by the Company's Shareholders under ASX Listing Rule 11.1.2. Further, ASX has notified the Company that the significant change to the nature and scale of the Company's main business activity will require re-compliance with ASX's admission requirements in chapters 1 and 2 of the ASX Listing Rules.

If Resolution 1 is passed the Company will have complied with the ASX requirement to obtain Shareholder approval for the significant change to the nature and scale of its activities. Conversely if Resolution 1 is not passed the Company will not be allowed to change the nature and scale of its activities as proposed in this Explanatory Statement and the Threat Protect Acquisition will not proceed.

Directors' recommendation

The passing of Resolution 1 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 1, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolution 2 – Consolidation of capital

Background

Resolution 2 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a 1 for 4 basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and to seek to comply with relevant ASX Listing Rules (as amended by

waivers received from the ASX) as part of the re-quotations of the Shares on the ASX, should Shareholder approval be obtained for the Acquisition Resolutions.

The Directors intend to implement the Consolidation prior to completion of the Threat Protect Acquisition and prior to the proposed issue of Shares pursuant to the Capital Raising, the proposed issue of Shares to Threat Protect Noteholders and the proposed issues of Shares and Options contemplated by Resolutions 5 and 11 – 16 (inclusive). However, the Consolidation will only occur if Shareholders approve the Acquisition Resolutions.

Corporations Act and ASX Listing Rules requirements

Section 254H of the Corporations Act provides that a Company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The ASX Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio. Similarly, the number or the conversion price (or both) of convertible securities (other than options) must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive.

Fractional entitlements

Not all Shareholders and holders of Options will hold a number of Shares or Options which can be evenly divided by 4. Where a fractional entitlement occurs, the Company will round the fraction down to the nearest whole number.

Taxation

It is not considered that any taxation implications will arise for Shareholders or holders of Options from the Consolidation. However, Shareholders and holders of Options are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and the proposed Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other proposed Resolutions.

Holding statements

From the date of the Consolidation, all holding statements for previously quoted Shares will cease to have any effect, except as evidence of an entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to subsequent disposal.

Effect on capital structure

The estimated effect which the Consolidation will have on the capital structure of the Company is set out below:

Shares	Pre-Consolidation Number	Post-Consolidation Number*
Shares currently on issue	359,460,760	89,865,190
Consideration Shares to be issued to the Threat Protect Vendors	-	165,000,000
Maximum number of Shares to be issued pursuant to the Capital Raising	-	275,000,000
Shares to be issued at a deemed issue price of \$0.016 per Share upon conversion of Threat Protect Convertible Notes (disregarding accrued interest)	-	36,875,000
Shares to be issued to the current directors of Threat Protect at a deemed issue price of \$0.02 per Share in satisfaction of director loans and accrued entitlements	-	15,565,700
Shares to be issued to lenders at a deemed issue price of \$0.02 per Share in satisfaction of certain amounts owed by Threat Protect	-	15,000,000
Shares to be issued to the current and former Directors of the Company at a deemed issue price of \$0.02 per Share in satisfaction of accrued Director fees	-	3,333,300
TOTAL:	359,460,760	600,639,190
Options	Pre-Consolidation Number	Post-Consolidation Number
Options exercisable at \$0.0334 each on or before 29 November 2017	1,200,000	-
Options exercisable at \$0.10 each on or before 29 November 2017	1,200,000	-
Options exercisable at \$0.15 each on or before 29 November 2017	1,200,000	-
Options exercisable at \$0.1336 each on or before 29 November 2017	-	300,000
Options exercisable at \$0.40 each on or before 29 November 2017	-	300,000
Options exercisable at \$0.60 each on or before 29 November 2017	-	300,000
Options to be issued to the Proposed Directors exercisable at \$0.025 each on or before the date falling 3 years after their issue	-	15,000,000
Options to be issued to Company advisers, brokers and promoters exercisable at \$0.025 each on or before the date falling 3 years after their issue	-	85,000,000
TOTAL:	3,600,000	100,900,000

Note: Post-Consolidation figures ignore treatment of fractional entitlements.

Indicative timetable

If the Acquisition Resolutions are passed, the Consolidation is proposed to take effect in accordance with the indicative timetable set out in Part 1, paragraph 9 of the Explanatory Statement.

Directors' recommendation

The passing of Resolution 2 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 2, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolution 3 – Issue of Consideration Shares to Threat Protect Vendors

Background

Resolution 3 seeks approval by Shareholders for the issue of the Consideration Shares to the Threat Protect Vendors (or their respective nominees), for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolution 3 seeks approval by Shareholders under ASX Listing Rule 7.1 for the issue of 165,000,000 Shares (on a post-Consolidation basis) to the Threat Protect Vendors (or their respective nominees).

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue 165,000,000 Shares (on a post-Consolidation basis).
- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares will be issued on the same date.
- (c) The Shares will not be issued for cash consideration. The Shares will be issued to the Threat Protect Vendors (or their respective nominees) as consideration for the acquisition by the Company of the entire issued share capital of Threat Protect.
- (d) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (e) No funds will be raised from the issue of the Shares.
- (f) A voting exclusion statement is included in the Notice.

Directors' recommendation

The passing of Resolution 3 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 3, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolution 4 – Issue of Shares to Threat Protect Noteholders

Background

Resolution 4 seeks approval by Shareholders for the issue of Shares (on a post-Consolidation basis) to the Threat Protect Noteholders (or their respective nominees), for the purposes of ASX Listing Rule 7.1.

Threat Protect has issued an aggregate principal amount of \$590,000 of notes to the Threat Protect Noteholders. The notes were issued between 4 May 2015 and 14 May 2015 and bear interest at a rate of 10% per annum (compounded monthly). Interest is payable in arrears on a monthly basis but may be capitalised at the discretion of Threat Protect. The terms of those notes provide that, on the re-quotations of the Company's Shares on the ASX, the notes will automatically convert into Shares, subject to Shareholders approving the issue of such Shares for the purposes of ASX Listing Rule 7.1.

The notes were issued in order to provide working capital to Threat Protect, including in respect of anticipated costs associated with the Threat Protect Acquisition and the Capital Raising.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- (a) The Company will issue such number of Shares (on a post-Consolidation basis) as is calculated in accordance with the following formula:

$$\frac{A}{\$0.016}$$

where:

'A' equals the aggregate amount of principal, interest and other monies payable to the Threat Protect Noteholders in respect of the notes.

If this formula results in an entitlement to a number of Shares which includes a fraction of a Share, the fraction will be rounded down.

- (b) The Shares will be issued to the Threat Protect Noteholders (being those parties listed in Annexure C) (or their respective nominees), none of whom is a related party of the Company.
- (c) The Shares will be issued no later than three months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares will be issued on the same date.
- (d) The Shares will be issued for a deemed issue price of \$0.016 per Share in satisfaction of the outstanding amount under the Threat Protect notes at the time of the Company's reinstatement to trading on ASX. Accordingly, no funds will be raised from the issue of the Shares.
- (e) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.

- (f) A voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

The passing of Resolution 4 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 4, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolution 5 – Issue of Options to advisers, brokers and promoters

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 85,000,000 Options (on a post-Consolidation basis) exercisable at \$0.025 each within 3 years from their date of issue.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3:

- (a) The maximum number of Options to be issued is 85,000,000 (on a post-Consolidation basis).
- (b) The Options will be issued no later than three months after the date of the Meeting or such later date as permitted by ASX and it is intended that the Options will be issued progressively.
- (c) The Options will be issued for nil consideration in satisfaction of services provided to the Company in connection with the Threat Protect Acquisition and the Capital Raising.
- (d) The Options will be issued to advisers, brokers and promoters (or their respective nominees) none of whom is a related party of the Company.
- (e) The Options will be issued on the terms set out in Annexure B to this Notice.
- (f) No funds will be raised from the issue of the Options.
- (g) A voting exclusion statement is included in the Notice of Meeting.

Directors' recommendation

The passing of Resolution 5 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 5, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolution 6 – Capital Raising

Background

Resolution 6 seeks approval by Shareholders under ASX listing Rule 7.1 for the issue of up to 275,000,000 Shares (on a post-Consolidation basis) at a minimum issue price of \$0.02 per Share to raise up to \$5,500,000.

The Company proposes to undertake the Capital Raising in conjunction with the Threat Protect Acquisition, under the Prospectus, to satisfy ASX listing Rule 1.1 condition 3 and re-comply with ASX's admission requirements.

The Company intends to issue the Prospectus on or about 6 July 2015.

If Resolution 6 is passed, it will permit the Directors to complete the Capital Raising no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a maximum of 275,000,000 Shares (on a post-Consolidation basis) pursuant to the Capital Raising.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares issued under the Prospectus will be issued on the same date.
- (c) The issue price will be a minimum of \$0.02 per Share.
- (d) The Shares will be issued to successful applicants under the Prospectus who are not related parties of the Company.
- (e) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (f) The funds raised under the Prospectus are intended to be used for the following purposes:

Activity	\$
Expenses of the Offer	\$560,343
Acquisition of the assets of Acquisition Option No. 1	\$400,000
Acquisition of the shares in Acquisition Option No. 2	\$2,520,000
Working capital	\$1,019,657
Total:	\$4,500,000

Further details on the use of funds will be provided in the Prospectus.

- (g) A voting exclusion statement is included in the Notice.

Directors' recommendation

The passing of Resolution 6 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 6, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolutions 7 to 9 – Election of Directors

Background

Clause 11.2 of the Constitution allows the Directors at any time to appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 11.3 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Demetrios Pynes, Paolo Ferrara and Derek La Ferla are proposed to be appointed as Directors upon completion of the Threat Protect Acquisition, and seek election from Shareholders.

Details of Proposed Directors

The qualifications and experience of the Proposed Directors are set out below:

Demetrios Pynes

Demetrios Pynes is a highly experienced businessman with specialist knowledge of both the finance and security industries. Mr Pynes holds a Bachelor of Commerce with double majors in finance and banking. He also has post-graduate qualifications in commerce. Mr Pynes spent several years as a banking and finance executive, during which time he was an analyst and adviser to high net-worth clients. For the past 12 years, Mr Pynes has operated various successful businesses, mainly in the security industry. He has previously held security officer and security consultant licences.

Paolo (“Paul”) Ferrara

A co-founder of Threat Protect, Paul in his capacity of Chief Operating Officer brings many years' experience in logistics and business. Prior to Threat Protect, Paul was assigned several roles in both Australia and Singapore for SIRVA, a global provider of transport and relocation services. With qualifications in management and information systems, specialising in telecommunications, Paul is well suited to his specialist role of integrating businesses and new opportunities into the Threat Protect group. Paul holds the security, crowd control and enquiry agent licences on behalf of Threat Protect.

Derek La Ferla

Mr La Ferla is an experienced corporate lawyer and company director with more than 30 years' experience. He is currently a Partner with large independent Western Australian firm, Lavan Legal, in the firm's Corporate Services Group. He is also a member of the firm's Advisory Board and previously served on the Norton Rose Australia National Board (while the firm as Deacons).

During his career as a director, Mr La Ferla has been a director of a number of listed public, private investment and not for profit companies. He is the current chairman of Sandfire Resources NL, OTOC Limited and Cashmere Iron Limited. He is a fellow of the Australian Institute of Company Directors and a Mentor under its Chair's Mentoring Program.

Directors' recommendation

The passing of Resolutions 7 to 9 (inclusive) is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 7, 8 and/or 9, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of these Resolutions.

Resolution 10 – Change of Company name

Background

In accordance with section 157(1)(a) of the Corporations Act, the Company submits to Shareholders for consideration and adoption by way of a special resolution for the name of the Company to be changed to Threat Protect Australia Limited.

The Company also seeks approval under section 136(2) of the Corporations Act, to the Constitution being updated to reflect the change of name.

Directors' recommendation

The passing of Resolution 10 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 10, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolutions 11 to 13 – Issue of Options to Proposed Directors

Pursuant to Resolutions 11 – 13 (inclusive), the Company is seeking Shareholder approval for the allotment and issue of:

- (a) 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Demetrios Pynes (or his nominee) (Resolution 11);
- (b) 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Paolo Ferrara (or his nominee) (Resolution 12); and
- (c) 5,000,000 Options (on a post-Consolidation basis) to Proposed Director, Derek La Ferla (or his nominee) (Resolution 13),

(together, the **Incentive Options**).

The Company is not seeking Listing Rule 10.11 approval for the issue of the Incentive Options, in reliance upon Listing Rule 10.12 (exception 6).

Chapter 2E 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.

The issue of the Incentive Options to the Proposed Directors will constitute giving a financial benefit and each of Demetrios Pynes, Paolo Ferrara and Derek La Ferla is a related party of the Company by virtue of being a proposed director of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the Incentive Options will be issued to provide a performance linked incentive component in their remuneration package to motivate and reward them. Further, the issue is also being made on the same terms as the issue of Options to brokers, advisers and promoters and, as such, the giving of the financial benefit is considered to be on arm's length terms.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolutions 11 – 13 seek approval by Shareholders under ASX Listing Rule 7.1 for the issue of a total of 15,000,000 Incentive Options (on a post-Consolidation basis) to the Proposed Directors.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a total of 15,000,000 Incentive Options (5,000,000 to each Proposed Director) (on a post-Consolidation basis).
- (b) The Incentive Options will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Incentive Options will be issued on the same date.
- (c) The Incentive Options will not be issued for cash consideration.
- (d) The Incentive Options will be issued on the terms set out in Annexure B.
- (e) No funds will be raised from the issue of the Incentive Options.
- (f) A voting exclusion statement is included in the Notice.

Directors' recommendation

The passing of Resolutions 11 – 13 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolutions 11, 12 and/or 13, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of these Resolutions.

Resolutions 14 and 15 – Issue of Shares to Threat Protect Directors

Pursuant to Resolutions 14 and 15, the Company is seeking Shareholder approval for the allotment and issue of Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share as follows:

- (a) Resolution 14: 8,927,382 Shares (on a post-Consolidation basis) to Demetrios Pynes (or his nominee) in satisfaction of his outstanding loan to Threat Protect of \$146,210.64 and \$32,337 in accrued annual leave (net of tax); and
- (b) Resolution 15: 6,638,271 Shares (on a post-Consolidation basis) to Paolo Ferrara (or his nominee) in satisfaction of his outstanding loan to Threat Protect of \$100,747.42 and \$32,018 in accrued annual leave (net of tax),

Notwithstanding that the Threat Protect Directors are proposed directors of East Africa the Company is not seeking Listing Rule 10.11 approval for the issue of these Shares in reliance upon Listing Rule 10.12 (exception 6).

Chapter 2E 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.

The issue of Shares to the Threat Protect Directors will constitute giving a financial benefit and each of Demetrios Pynes and Paolo Ferrara is a related party of the Company by virtue of being a proposed director of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the Shares will be issued in satisfaction of outstanding loans to Threat Protect and as remuneration in respect of accrued leave entitlements. The issue is also being made on the same terms as the issue of Shares to participants in the Capital Raising and as such the giving of the financial benefit is considered to be on arm's length terms.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

Resolutions 14 and 15 seek approval by Shareholders under ASX Listing Rule 7.1 for the issue of 15,565,700 Shares (on a post-Consolidation basis) to the Threat Protect Directors.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a total of 15,565,700 Shares (on a post-Consolidation basis).
- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares will be issued on the same date.
- (c) The Shares will not be issued for cash consideration but rather at a deemed issue price of \$0.02 per Share. The Shares will be issued to the Threat Protect Directors in satisfaction of their loans to Threat Protect and accrued annual leave entitlements.
- (d) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (e) No funds will be raised from the issue of the Shares.
- (f) A voting exclusion statement is included in the Notice.

Directors' recommendation

The passing of Resolutions 14 and 15 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 14 and/or 15, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of these Resolutions.

Resolution 16 – Issue of Shares in satisfaction of Threat Protect loans

Background

Resolution 16 seeks approval by Shareholders under ASX listing Rule 7.1 for the issue of 15,000,000 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share in satisfaction of amounts owed by Threat Protect as follows:

- (a) Quicksilver Asset has advanced Threat Protect a loan under which \$150,000 remains outstanding. It is proposed to convert the Quicksilver Asset loan into 7,500,000 Shares in the Company; and
- (b) Siren Nominees has advanced Threat Protect a loan under which \$150,000 remains outstanding. It is proposed to convert the Siren Nominees loan into 7,500,000 Shares in the Company,

(together, the **Loan Conversion**).

If Resolution 16 is passed, it will permit the Directors to complete the Loan Conversion no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX) without impacting on the Company's 15% placement limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 sets out the basic prohibition on an entity issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities. An issue in excess of the 15% limit can be made with the approval of holders of ordinary securities.

The following additional information is provided pursuant to the requirements of ASX Listing Rule 7.3.

- (a) The Company will issue a maximum of 15,000,000 Shares (on a post-Consolidation basis) pursuant to the Loan Conversion.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all Shares will be issued on the same date.
- (c) The Shares will be issued at a deemed issue price of \$0.02 per Share.
- (d) The Shares will be issued to Quicksilver Asset (7,500,000 Shares) and Siren Nominees (7,500,000 Shares) respectively, neither of whom is a related party of the Company.
- (e) The Shares will be issued on the same terms as the Company's existing issued fully paid ordinary shares.
- (f) No funds will be raised from the issue as the Shares are being issued in satisfaction of the Threat Protect loans.
- (g) A voting exclusion statement is included in the Notice.

Directors' recommendation

The passing of Resolution 16 is conditional upon, and subject to, each other Acquisition Resolution being approved by Shareholders. Accordingly, if you intend to vote in favour of Resolution 16, you should also vote in favour of each other Acquisition Resolution.

The Directors recommend Shareholders vote in favour of this Resolution.

Resolutions 17 to 20 – Issue of Shares to current and former Directors

General

Pursuant to Resolutions 17 – 20, the Company is seeking Shareholder approval for the allotment and issue of up to 3,333,300 Shares (on a post-Consolidation basis) at a deemed issue price of \$0.02 per Share in satisfaction of accrued directors fees (**Placement**) as follows:

- (a) Resolution 17: 729,150 Shares (on a post-Consolidation basis) to Peter Munachen (or his nominee) (a former director who resigned on 23 April 2015) in satisfaction of \$14,583 in director fees accrued to the end of April 2015;
- (b) Resolution 18: 729,150 Shares (on a post-Consolidation basis) to Henry David Kennedy (or his nominee) (a former director who resigned on 23 April 2015) in satisfaction of \$14,583 in director fees accrued to the end of April 2015;
- (c) Resolution 19: 937,500 Shares (on a post-Consolidation basis) to Michael Griffiths (or his nominee) (a current Director) in satisfaction of \$18,750 in director fees accrued to the end of June 2015; and
- (d) Resolution 20: 937,500 Shares (on a post-Consolidation basis) to Robert Kirtlan (or his nominee) (a current Director) in satisfaction of \$18,750 in director fees accrued to the end of June 2015.

Chapter 2E 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. One of the exceptions is where the financial benefit constitutes part of the related party's "reasonable remuneration".

The Placement will result in the issue of Shares which constitutes giving a financial benefit and each of the above Directors is a related party of the Company by virtue of either being a current Director (in the case of Michael Griffiths and Robert Kirtlan) or a person who was a director in the past 6 months (in the case of Peter Munachen and David Kennedy).

The Directors (other than Michael Griffiths (in respect of Resolution 19) and Robert Kirtlan (in respect of Resolution 20) who each have a material personal interest in those respective Resolutions, consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Placement because the Shares will be issued to the current and former directors in satisfaction of accrued directors fees which are considered to be reasonable remuneration and on the same terms as Shares issued to participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

ASX Listing Rule 10.11

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.

As the Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. The Directors consider that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Placement:

- (a) The Shares will be allotted and issued to the current and former directors outlined above (or their respective nominees).
- (b) The maximum number of Shares to be issued is 3,333,300 (on a post-Consolidation basis).
- (c) The Shares will be issued no later than 1 month 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 allotment will occur on the same date.
- (d) The deemed issue price will be \$0.02 per Share, being the same issue price as all other Shares issued under the Capital Raising.

- (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) No funds will be raised from the Placement as the Shares are being issued in satisfaction of accrued director fees.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Placement as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the Placement will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Directors' recommendation

The Directors recommend Shareholders vote in favour of Resolutions 17 and 18.

Michael Griffiths and Robert Kirtlan decline to make a recommendation to Shareholders in relation to Resolutions 19 and 20 respectively due to their material personal interest in the outcome of those Resolutions.

Katina Law recommends Shareholders vote in favour of Resolutions 19 and 20.

Resolution 21 – Ratification of prior issue of Shares

Background

On 26 May 2015 the Company issued a total of 46,250,000 Shares to sophisticated and professional investors (as described in section 708 of the Corporations Act). These Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

Resolution 21 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

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

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

By ratifying the prior issues of Shares made on 26 May 2015, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 21:

- (a) 46,250,000 Shares were issued (pre-Consolidation). These Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.
- (b) The issue price was \$0.004 per Share.

- (c) The securities 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 a number of sophisticated and professional investors (as described in section 708 of the Corporations Act), none of whom is a related party of the Company.
- (e) The funds raised were used to fund transaction costs in relation to the Threat Protect Acquisition and the Capital Raising.
- (f) A voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors recommend Shareholders vote in favour of this Resolution.

Glossary

In this document the following definitions apply:

\$	means Australian dollars.
Acquisition Options	means Threat Protect's options to acquire two security businesses, as described further in Part 1, section 3 of the Explanatory Statement at page 16.
Acquisition Resolution	means each of Resolutions 1 to 16 inclusive in the Notice of Meeting.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or, as the context required, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	means the Listing Rules of ASX.
Board	means the current board of directors of the Company.
Business Day	means a day other than a Saturday, Sunday or public holiday in Western Australia.
Capital Raising	means the capital raising the subject of Resolution 6.
Company or East Africa	means East Africa Resources Limited ACN 060 774 227.
Consideration Shares	means 165,000,000 Shares (on a post-Consolidation basis).
Consolidation	means the consolidation of every 4 Shares into 1 Share and every 4 Options into 1 Option, as contemplated by Resolution 2.
Constitution	means the Company's constitution.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the current directors of the Company.
East Africa or the Company	means East Africa Resources Limited ACN 060 774 227.
Explanatory Statement	means the explanatory statement accompanying this Notice.
General Meeting or Meeting	means the meeting convened by this Notice.
Goldfields	means Goldfields Commercial Security Pty Ltd ACN 009 400 042.
Notice or Notice of Meeting	means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Offer	means the offer of Shares under the Prospectus.
Option	means an option to subscribe for a Share.
Proposed Directors	means Mr Derek La Ferla, Mr Demetrios Pynes and Mr Paolo Ferrara.
Prospectus	means the prospectus to be issued by the Company in relation to the Capital Raising.
Proxy Form	means the proxy form accompanying this Notice.
Quicksilver Asset	means Quicksilver Asset Pty Ltd ACN 106 986 261.
Resolutions	means the resolutions to be considered by Shareholders at the General Meeting, as set out in this Notice of Meeting.
Security Act	means the <i>Security and Related Activities (Control) Act 1996 (WA)</i> .
Share or East Africa Share	means a fully paid ordinary share in the capital of East Africa.
Share Sale & Purchase Agreement	means the share sale and purchase agreement between the Company and the Threat Protect Vendors relating to the purchase by the Company of the entire issued share capital of Threat Protect.
Shareholder	means a registered holder of one or more Shares.
Siren Nominees	means Siren Nominees Pty Ltd ACN 139 580 279.
Threat Protect	means Threat Protect Australia Pty Ltd ACN 149 334 118.
Threat Protect Acquisition	means the acquisition by the Company of all the issued capital of Threat Protect.
Threat Protect Directors	means Mr Demetrios Pynes and Mr Paolo Ferrara.
Threat Protect Noteholders	means the holders of convertible notes issued by Threat Protect in an aggregate principal amount of \$590,000 as set out in Annexure C, which notes are convertible into Shares in the circumstances described in Part 2 of the Explanatory Statement under the heading 'Resolution 4' on page 31.
Threat Protect Vendors	means the vendors of shares in Threat Protect to the Company pursuant to the Share Sale & Purchase Agreement.
WST	means Australian Western Standard Time.

Annexure A Pro-forma Statement of Financial Position

	East Africa Reviewed as at 31-Dec-14 \$	Threat Protect Audited as at 31-Dec-14 \$	Subsequent events \$	Pro forma adjustments \$	Pro forma after Offer \$
CURRENT ASSETS					
Cash and cash equivalents	235,328	70,266	445,000	1,932,053	2,682,647
Trade and other receivables	10,167	613,657	-	264,311	888,135
Inventory	-	66,734	-	-	66,734
Other current assets	-	109,481	-	-	109,481
Financial assets	-	25,232	-	-	25,232
TOTAL CURRENT ASSETS	245,495	885,370	445,000	2,196,364	3,772,229
NON CURRENT ASSETS					
Financial assets	130	-	280,000	(259,950)	20,180
Property, plant and equipment	34,929	278,610	-	78,342	391,881
Exploration and evaluation expenditure	2,955,544	-	(2,955,544)	-	-
Intangible assets	-	-	-	3,379,425	3,379,425
Other non current assets	-	-	50,000	(50,000)	-
TOTAL NON CURRENT ASSETS	2,990,603	278,610	(2,625,544)	3,147,817	3,791,486
TOTAL ASSETS	3,236,098	1,163,980	(2,180,544)	5,344,181	7,563,715
CURRENT LIABILITIES					
Trade and other payables	75,125	2,258,521	1,322,534	(1,310,138)	2,346,042
Employee benefits	-	397,295	-	(64,355)	332,940
Borrowings	-	3,190,216	-	(2,569,200)	621,016
TOTAL CURRENT LIABILITIES	75,125	5,846,032	1,322,534	(3,943,693)	3,299,998
NON CURRENT LIABILITIES					
Borrowings	-	79,973	590,000	1,432,242	2,102,215
TOTAL NON CURRENT LIABILITIES	-	79,973	590,000	1,432,242	2,102,215
TOTAL LIABILITIES	75,125	5,926,005	1,912,534	(2,511,451)	5,402,213
NET ASSETS	3,160,973	(4,762,025)	(4,093,078)	7,855,632	2,161,502
EQUITY					
Issued capital	48,553,680	1,347,303	185,000	(42,207,328)	7,878,655
Reserves	(197,132)	-	-	1,084,132	887,000
Accumulated losses	(45,195,575)	(6,109,328)	(4,278,078)	48,978,828	(6,604,153)
TOTAL EQUITY	3,160,973	(4,762,025)	(4,093,078)	7,855,632	2,161,502

The Pro Forma Statement of Financial Position incorporates the following transactions and events:

- On 26 May 2015, the Company completed a placement of 46,250,000 Shares (on a pre-Consolidation basis) to sophisticated and professional investors at an issue price of \$0.004 per Share to raise \$185,000 before costs;
- The issue of Convertible Notes by Threat Protect to raise up to \$590,000. Following completion of the Threat Protect Acquisition, these Convertible Notes will convert into 36,875,000 Shares at a conversion price of \$0.016 per Share;
- An accrual has been made for all potential liabilities outstanding on the Tanzanian tenements held by the Company. These liabilities relate to outstanding rents, including an estimation of penalties. The liability that has been included in the Pro Forma Statement of Financial Position represents the Directors' understanding of the maximum amount that might be payable and without taking into account any counter arguments and matters of practice the Company may raise to contest the extent of the liability if payment is sought;
- Completion of the Threat Protect Acquisition, whereby the Company will issue 165 million Shares to the Threat Protect Vendors or their respective nominees;
- The issue of up to 275 million Shares at an issue price of \$0.02 each to raise up to \$5.5 million before costs;
- Costs of the Offer are estimated to be \$560,343, which are to be offset against the contributed equity;
- The issue of a total of 85 million Options at an exercise price of \$0.025 each expiring 3 years from their date of issue to parties including advisers, promoters and other parties who have assisted with the Offer. These have been deemed to be costs of the Offer which are to be offset against the contributed equity;
- The issue of a total of 15 million Options at an exercise price of \$0.025 each expiring 3 years from their date of issue to Directors of the Company which have been expensed as share based payments;
- The issue of 3,333,300 Shares at a deemed issue price of \$0.02 per Share to current and former directors in satisfaction of \$66,666 of accrued directors' fees;
- The issue of 8,927,382 Shares to Mr Demetrios Pynes and 6,638,271 Shares to Mr Paolo Ferrara (both current directors of Threat Protect) in full satisfaction of all director loans and outstanding annual leave balances, totalling \$311,313;
- The conversion of \$150,000 payable to Siren Nominees Pty Ltd and \$150,000 payable to Quicksilver Asset Pty Ltd into 15,000,000 Shares at a conversion price of \$0.02 per Share;
- Completion of the acquisition of the assets of Acquisition Option No. 1 described in section 3 of Part 1 of the Explanatory Statement) with consideration being satisfied by the cash payment of \$450,000 (this consists of a \$50,000 option fee and an additional \$400,000 as remaining consideration);
- Completion of the acquisition of the shares of Acquisition Option No. 2 described in section 3 of Part 1 of the Explanatory Statement) with consideration being satisfied by the cash payment of \$2.8 million (this consists of a \$280,000 option fee and an additional \$2.52 million as remaining consideration); and
- Following completion of the Threat Protect Acquisition, the Company intends to either dispose of its Tanzanian tenements or the entities which hold those tenements (including any parent entity). If the Company does not regard any such opportunities for disposal as commercial, the Company intends to pursue liquidation of those entities. The Pro Forma Statement of Financial Position assumes liquidation is undertaken and adjusts the carrying value of the Tanzanian

tenements and any associated liabilities held by the disposed entities. It has been assumed that liquidation costs of \$100,000 may be incurred by the Company to undertake this process.

Annexure B Terms of Options

The terms of the Options to be issued as contemplated in Resolutions 5 and 11 to 13 are as follows:

(a) Entitlement

Subject to paragraph (m), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price and Expiry Date

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Option will be \$0.025 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00pm (WST) on the date falling 3 years after its issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with

ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

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.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(m) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(n) Unquoted

The Company will not apply for quotation of the Options on ASX.

(o) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Annexure C Threat Protect Noteholders

Noteholder	Number of notes held	Aggregate face value of notes
Tiscam Pty Ltd – Tismac Super Fund A/C	10	\$100,000
Drake Super Pty Ltd ATF Drake Superannuation Fund	5	\$50,000
Happy AJ Company 2 Pty Ltd ACN 161 727 180 ATF Happy AJ 2 Trust	5	\$50,000
James and Emma Mackie – Mackie Super A/C	2	\$20,000
APG Pty Ltd ACN 076 882 481 ATF Benessere Superannuation Fund	5	\$50,000
Paul Armstrong	5	\$50,000
A and R Assets Pty Ltd ACN 156 560 664	5	\$50,000
Timothy Jason Baldock	5	\$50,000
A.C.P Investments Pty Ltd ACN 009 253 650 – A & L Pismiris S/F	5	\$50,000
C. Pismiris Pty Ltd ACN 008 768 518	5	\$50,000
Virtus Capital Pty Ltd ACN 142 400 815	5	\$50,000
N and T Mitaros Superannuation Fund	1	\$10,000
A and C Liveris Superannuation Fund	1	\$10,000
Total	59	\$590,000

PROXY FORM

I/weof
 being a member of East Africa Resources Limited ABN 36 060 774 227 (**Company**) hereby appoint

the Chairman
 of the Meeting
 (mark with an
 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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 at the **General Meeting of Shareholders of East Africa Resources Limited ABN 36 060 774 227 to be held at the QV1 Conference Centre, 250 St Georges Terrace, Perth, Western Australia on 5 August 2015 at 10.00am (WST)** and at any adjournment or postponement of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise proxies on remuneration related resolutions (Resolutions 17, 18, 19 and 20): Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 17, 18, 19 and 20 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 17, 18, 19 and 20 are connected directly or indirectly with the remuneration of a member of key management personnel.

Important for all Resolutions – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default: If you wish to give the Chairman specific voting directions on the Resolutions, you should mark the appropriate boxes opposite the Resolutions (directing your proxy to vote 'for', 'against' or to 'abstain' from voting). If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you do not mark the boxes above, you are expressly authorising the Chairman of the Meeting to vote in favour of all Resolutions, as appropriate (see above).

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

		For	Against	Abstain
Resolution 1	Change to nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Consideration Shares to Threat Protect Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Shares to Threat Protect Noteholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to advisers, brokers and promoters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Director, Demetrios Pynes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Election of Director, Paolo Ferrara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Election of Director, Derek La Ferla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Change of Company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Issue of Options to Proposed Director, Demetrios Pynes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Issue of Options to Proposed Director, Paolo Ferrara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Issue of Options to Proposed Director, Derek La Ferla	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
Resolution 14	Issue of Shares to Threat Protect Director, Demetrios Pynes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Issue of Shares to Threat Protect Director, Paolo Ferrara	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Issue of Shares in satisfaction of Threat Protect loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Issue of Shares to former director, Peter Munachen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18	Issue of Shares to former director, Henry (“David”) Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19	Issue of Shares to current Director, Michael Griffiths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 20	Issue of Shares to current Director, Robert Kirtlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 21	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the member is a company, it must be signed in accordance with its Constitution and section 127 of the Corporations Act 2001 (Cth).

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ **Date** ____/____/____

Instructions for appointment of proxy

1. A member entitled to attend and vote at the General Meeting convened by the above Notice of General Meeting is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at Suite 1B, 53/63 Burswood Road, Burswood WA 6100 or on fax number (08) 9361 6195 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 5.00pm WST on 3 August 2015 will be taken for purposes of the meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.