



ACN 146 035 690

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**NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM  
PROXY FORM**

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**Date of Meeting**

Friday, 27 November 2015

**Time of Meeting**

11:00 am (WST)

**Place of Meeting**

Studio Two  
Crown Perth  
Great Eastern Highway  
Burswood Western Australia 6100

**ANNUAL REPORT**

The 2015 Annual Report is available from the Company's website via the following link  
<http://www.audalia.com.au/investors/company-reports/>

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Audalia Resources Limited (**Company** or **ACP**) is to be held at Studio Two, Crown Perth, Great Eastern Highway, Burswood, Western Australia 6100 on Friday, 27 November 2015 commencing at 11:00 am (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

### BUSINESS

#### Financial and Other Reports – Year Ended 30 June 2015 (no resolution required)

To receive and consider the financial report, the Remuneration Report, and the reports of the Directors and of the Auditor for the year ended 30 June 2015.

#### Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2015.”*

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

#### Voting Prohibition Statement:

The Company will disregard any votes cast on Resolution 1 by, or on behalf of, any of the following persons:

- (a) a member of the Key Management Personnel, as disclosed in the Remuneration Report; or
- (b) a Closely Related Party (such as close family members and any controlled companies) of such a member.

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

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

#### Resolution 2 – Re-election of Director – Mr Raymond Browning

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

*“That Mr Browning, being a director of the Company who, having been appointed on 3 September 2015, retires in accordance with Clause 13.4 of the Company’s Constitution and being eligible and offering himself for re-election, be re-elected as a director of the Company.”*

#### Resolution 3 – Re-election of Director – Dato Soo Kok Lim

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

*“That Dato Soo Kok Lim, being a director of the Company who retires by rotation in accordance with Clause 13.2 of the Company’s Constitution and ASX Listing Rule 14.4 and being eligible and offering himself for re-election, be re-elected as a director of the Company.”*

#### Resolution 4 – Approval of issue of Shares to Director

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

*"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 4,000,000 Shares to Mr Brent Butler (a Director and Chief Executive Officer) (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."*

#### Voting Exclusion:

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

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 directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, if:

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

However, the above prohibition does not apply if:

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

#### EXPLANATORY MEMORANDUM

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

#### PROXIES

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Further details on these changes are set out below.

#### Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- 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
- 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
- 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

- 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***

Section 250BC of the Corporations Act provides that, if:

- 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
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - 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.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. Completed Proxy Forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 11:00 am (WST) on 25 November 2015.

**VOTING ENTITLEMENTS**

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:00 pm (WST) on 25 November 2015 will be entitled to attend and vote at the Annual General Meeting.

**CORPORATE REPRESENTATIVE**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act 2001.

**ATTORNEYS**

If an attorney is to attend the meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 11:00 am (WST) on 25 November 2015. Previously lodged powers of attorney will be disregarded by the Company.

**DATED THIS 21<sup>ST</sup> OF OCTOBER 2015  
BY ORDER OF THE BOARD**

  
**Karen Logan  
Company Secretary**

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Audalia Resources Limited (**Company** or **ACP**).

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

### Financial Statements and Report

Under the Corporations Act, the directors of the Company must table the Financial Report, the Directors' Report and the Auditor's Report for ACP for the year ended 30 June 2015 (**2015 Annual Report**) at the Meeting.

These reports are set out in the 2015 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2015 Annual Report with this Notice of Annual General Meeting. In accordance with section 314 (1AA)(c) of the Corporations Act, the Company advises the 2015 Annual Report is available from the Company's website: (<http://www.audalia.com.au/investors/company-reports/>).

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the Auditor questions about:
  - (i) the conduct of the audit;
  - (ii) the preparation and contents of the Auditor's Report;
  - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (iv) the independence of the Auditor in relation to the conduct of the audit,

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Annual Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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

#### 1.1 General

Under the Corporations Act, the Company is required to include, in the Directors' Report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of ACP and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

Under section 250R(2) of the Corporations Act, the Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the Annual General Meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

### 1.2 Voting consequences

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 1.3 Previous voting results

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

### 1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

- 1 Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- 2 Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
- 3 Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- 4 The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

### 1.5 Voting Intention

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

## **2. Resolution 2 – Re-election of Director – Mr Raymond Browning**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Browning was appointed to the Board as a non-executive director on 2 September 2015. He retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Browning is a qualified mechanical engineer with extensive operational and project experience in the mining industry. He spent 18 years as a specialist designer, supplier and installer of specialised underground mining equipment in the Southern African mining industry. Mr Browning progressed through the ranks to the position of Managing Director of the company following a successful acquisition and merger. During this time he gained

extensive experience in business development and management, including international corporate governance. More recently, Mr Browning assisted in various specialist consulting roles with small and large Western Australian companies providing engineering and project management services.

During the year the Company has undertaken the appropriate searches from government authorities and no exceptions were noted. The Board has prepared a skills matrix which is included in the Company's corporate governance statement dated 30 September 2015 and considers that Mr Browning possesses the required broad based skills to help drive the Company's performance.

The Board has considered Mr Browning's independence and considers that he is an independent Director.

#### 2.1 Board Recommendation

The Board (other than Mr Browning) recommends Shareholders vote in favour of the Resolution.

#### 2.2 Voting Intention

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

### **3. Resolution 3 – Re-election of Director – Dato Soo Kok Lim**

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution requires that at the annual general meeting, one third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt) provided always that no Director other than the Managing Director holds office for more than 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. In determining the number of Directors to retire by rotation, no account is to be taken of a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution. A retiring director is eligible for re-election.

The Company currently has 4 Directors, although Mr Browning is not taken into account in determining the number of Directors to retire under clause 13.2 of the Constitution. Accordingly, 1 must retire.

Dato Lim, being the Director subject to retirement that has been in office the longest since his last election on 26 November 2012 (having initially been appointed on 9 October 2010), retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Dato Lim is a graduate in Law with Honours from The University of Kent in Canterbury, England in 1989. In 1990, he obtained the degree of Utter Barrister Gray's Inn, England. He was called to the Bar in Malaysia in 1991. After a brief career in a local law firm in Kuala Lumpur, he established his own practice in 1993 and operated it until 1999. He was appointed a Commissioner for Oaths by the Chief Justice of Malaysia in 1999. Dato Lim is also a Notary Public appointed by the Attorney General of Malaysia. He is also currently a director of a number of companies listed on Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange). Dato Lim is actively involved with the management of significant family investments in property development, hotel management and other commercial interests. He has substantial business and legal experience in investments in Malaysia, Australia, China and other South East Asian countries.

The Board has considered Dato Lim's independence and considers that he is not an independent Director.

#### 3.1 Board Recommendation

The Board (other than Dato Lim) recommends Shareholders vote in favour of the Resolution.

#### 3.2 Voting Intention

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

### **4. Resolution 4 – Approval of issue of Shares to Director**

#### 4.1 General

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of up to 4,000,000 Shares to Mr Brent Butler, CEO and Executive Director of the Company (or his nominee). The Shares are proposed to be issued to Mr Butler (or his nominee) under the terms of his consultant agreement dated 14 April 2015 (the **Agreement**).

Under the terms of the Agreement and subject to the Company obtaining all shareholder and regulatory approvals that may be required, Mr Butler will be issued with the following Shares in the Company upon the successful achievement of the agreed milestones:

- 2,000,000 Shares upon the Company granting of mining lease application M63/656; and
- 2,000,000 Shares upon the completion and receipt of the pre-feasibility report on the Medcalf Project.

Each of the tranches of Shares will be held in escrow for a period of 2 years from their respective dates of issue.

Resolution 4 is an ordinary resolution.

#### 4.2 Reason approval required

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because by virtue of being the CEO and Executive Director, Mr Butler is a related party of the Company.

Listing Rule 10.11 requires shareholder approval for the issue of securities to a related party of the Company unless an exception applies under Listing Rule 10.13.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in sections 210 to 216); or
2. prior shareholder approval is obtained to the giving of the financial benefit (in accordance with sections 217 to 227).

It is the view of the Directors that the exceptions under Chapter 2E of the Corporations Act and Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is required for the issue of Shares to Mr Butler (or his nominee).

#### 4.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the issue of Shares:

- i. The related party to whom the Shares will be issued is Mr Butler (or his nominee).
- ii. The maximum number of securities to be issued is a total of 4,000,000 Shares.
- iii. The Company will issue the Shares no later than one month after the date of the Meeting or such longer period of time as ASX may in its discretion allow, and it is anticipated that the issue will occur as follows:
  - 2,000,000 Shares upon the granting of mining lease application M63/656; and
  - 2,000,000 Shares upon the completion and receipt of the pre-feasibility report on the Medcalf Project.
- iv. Each Share will have an issue price of nil. The Shares are fully paid ordinary shares and will rank equally with existing Shares on issue other than being subject to voluntary escrow for a period of 2 years from the date of issue.
- v. Mr Butler has an interest in Resolution 4 and therefore believes that it is inappropriate to make a recommendation. The remaining directors believe that Resolution 4 provides a cost-effective and efficient incentive for the Company to provide, as opposed to alternative forms of incentives. The remaining directors do not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.
- vi. The primary purpose of the issue of the Shares to Mr Butler (or his nominee) is to provide a performance linked incentive component in Mr Butler's remuneration package to motivate and reward his performance in his roles as CEO and Executive Director.
- vii. Based on the closing price of Shares on 19 October 2015, each one of these Shares is worth \$0.225 and the value of the Shares to be issued to Mr Butler is \$900,000.
- viii. At the date of this Notice of Meeting, Mr Butler held 530,000 Shares in the Company. If shareholders approve the proposed issue of the Shares Mr Butler will hold a relevant interest of 4,530,000 Shares in the Company on the completion of the milestones.
- ix. The remuneration and emoluments from the Company to Mr Butler for the current financial year and previous financial year are as follows:

	Proposed in Current Financial Year 2016		2015		2014	
	Salary and Fees \$	Share based payments*	Salary and Fees \$	Share based payments*	Salary and Fees \$	Share based payments \$
Director						
Mr Brent Butler	120,000	630,683	246,000	269,317	135,000	Nil

\* The issue of Shares is subject to passing of this Resolution by shareholders. However, under the Accounting Standard AASB 2, the Company is required to recognise the expense over the period in which the employee rendered the services.

- x. If the Shareholders approve the issue of the Shares to Mr Butler, the issue will result in a dilution of all other Shareholders' holdings in the Company of approximately 1.71% on a fully diluted basis (assuming no other Shares are issued).
- xi. Historical Share price information for the last 12 months is as follows:

	Price	Date
Highest	\$0.23	22 October 2014
Lowest	\$0.14	16 October 2014
Last	\$0.225	19 October 2015

- xii. The Shares will be issued for nil cash consideration. Accordingly, no funds will be raised.
- xiii. Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 4.
- xiv. A voting exclusion statement has been included for the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to Mr Butler (or his nominee) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Mr Butler (or his nominee) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1

#### 4.4 Board recommendation

The directors (excluding Mr Butler) considers that the issue of Shares is a reasonable remuneration structure (taking into account the Company's and Mr Butler's circumstances, in particular the reduction in the cash component of Mr Butler's remuneration). The directors of the Company (excluding Mr Butler) believe that Resolution 4 is in the best interests of the Company for the reasons set out in section 4.3v of this Explanatory Memorandum, and therefore recommend that Shareholders vote in favour of Resolution 4.

Please see section 1.4 of this Explanatory Memorandum for the proxy voting restrictions that apply to this Resolution.

#### 4.5 Voting intention

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 4.

## GLOSSARY

**\$** means an Australian dollar.

**Annual General Meeting** means the annual general meeting the subject of this Notice.

**Annual Report** has the same meaning as Financial Report.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** and **Listing Rules** mean the official listing rules of ASX.

**Auditor** means the Company's auditor from time to time, at the date of the Notice, being BDO Audit (WA) Pty Ltd.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of directors of the Company.

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

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

**Company** or **ACP** means Audalia Resources Limited (ACN 146 035 690).

**Constitution** means the Company's constitution.

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

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act 2001 (Cth).

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Annual General Meeting.

**Financial Report** means the annual financial report of the Company and its controlled entities prepared under Chapter 2M of the Corporations Act 2001 (Cth).

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

**Meeting** means the meeting of Shareholders convened by the Notice of Annual General Meeting.

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

**Proxy Form** means a proxy form attached to the Notice.

**Remuneration Report** means the remuneration report as contained in the Directors' report section of the Company's annual financial report for the year ended 30 June 2015.

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

**Shareholder** means a shareholder of the Company.

**WST** means Australian Western Standard Time.

## PROXY FORM

MR SAM SAMPLE  
UNIT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE WA 6060

### 1. Appointment of Proxy

I/We being a member/s of Audalia Resources Limited entitled to attend and vote at the Meeting hereby appoint

the Chair of  
the Meeting

OR

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

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Studio Two, Crown Perth, Great Eastern Highway, Burswood, Western Australia 6100 on Friday, 27 November 2015 at 11:00 am (WST), and at any adjournment thereof.

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business in which the Chair is entitled to vote.** In exceptional circumstances the Chair may change his voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Authority for Chair to vote undirected proxies on remuneration-related resolutions:** Where I/we appoint the Chair of the Meeting as my/our proxy (or where the Chair of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of Resolutions 1 and 4, (except where I/we have indicated a different voting intention below) even though those items are connected directly or indirectly with the remuneration of a member of Key Management Personnel of Audalia Resources Limited, which may include the Chair. I/we acknowledge that if the Chair of the Meeting is my/our proxy and I/we have not marked any of the boxes opposite Resolutions 1 to 4, the Chair of the Meeting intends to vote my/our proxy in favour of Resolutions 1 to 4.

### 2. Items of Business

Please mark  to indicate your voting directions.

	FOR	AGAINST	ABSTAIN
1. Non-Binding Resolution to Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Raymond Browning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Director – Dato Soo Kok Lim	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of Shares to Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

### 3. Signature of Securityholder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/ Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

## HOW TO COMPLETE THE PROXY FORM

### 1. Appointment of Proxy

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

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

**Appointing a second proxy:** If you are entitled to cast two or more votes you may appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If a member appoints two proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded.

A duly appointed proxy need not be a securityholder of the company.

**Attending the Meeting:** Completion of a Proxy Form will not prevent you from attending the Meeting in person if you wish. Where you complete and lodge a valid Proxy Form and attend the Meeting in person, your proxy's authority to speak and vote for you is suspended while you are present at the Meeting.

### 2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities (or such lesser number as indicated by you on the proxy form) will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses subject to relevant laws. If you mark more than one box on an item your vote on that item will be invalid.

### 3. Signing Instructions

You must sign this form as follows in the spaces provided:

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

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

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

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

### Lodgement of a Proxy

To vote by proxy, please complete and sign this Proxy Form and return by:

- (a) Post to Audalia Resources Limited, C/- PO Box 354, West Perth, WA 6872; or
- (b) Facsimile to the Company on facsimile number +61 8 9321 0721; or
- (c) Email to the Company at [admin@audalia.com.au](mailto:admin@audalia.com.au).

This Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting.

Proxy Forms received after this time will be invalid.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from the Company Secretary.