



Caeneus Minerals Ltd
ACN 082 593 235

Australian Securities Exchange
Code: CAD

Ordinary shares
797,430,234

Unlisted Options
19,500,000 (exercise price of \$0.005; expiry date of 31 Dec 2016)
306,150,001 (exercise price of \$0.03; expiry date of 27 Feb 2017)

Board of Directors
Mr Keith Bowker
Mr Antony (Tony) Sage
Mr Michael Nottas

ASX Announcement
29 October 2015

NOTICE OF ANNUAL GENERAL MEETING/PROXY FORM

Caeneus Minerals Ltd (“Caeneus” or “the Company”) advises that the attached Notice of Annual General Meeting/Proxy Form has been despatched to shareholders today, 29th October 2015.

For and on behalf of the Board

Keith Bowker
Director/Company Secretary

**CAENEUS MINERALS LTD
ACN 082 593 235**

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact
Mr Keith Bowker on telephone (+61 8) 9481 0544.*

The Annual Report is available online at www.caeneus.com.au

**CAENEUS MINERALS LTD
ACN 082 593 235**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Caeneus Minerals Ltd will be held at Suite 4, Ground Floor, 56 Kings Park Road, West Perth, Western Australia at 10.00am (WST) on 27 November 2015 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

AGENDA

ORDINARY BUSINESS

FINANCIAL & OTHER REPORTS

To receive and consider the Annual Report for the year ended 30 June 2015 and the accompanying Directors' Report, Directors' Declaration, and Auditor's Report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

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

“That the Remuneration Report that forms part of the Directors' Report for the financial year ended 30 June 2015, be adopted.”

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on this Resolution by any Key Management Personnel (“**KMP**”) and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of 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, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, the proxy is undirected and the proxy form authorises the chairperson to vote the proxy on this Resolution.

KMPs and their closely related parties will commit an offence under the Corporations Act if they vote in relation to this Resolution in breach of the voting restrictions.

RESOLUTION 2 – RE-ELECTION OF MR ANTONY SAGE

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

“That Mr Antony Sage, having retired in accordance with the Company's Constitution and the Listing Rules and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 3 – RATIFICATION OF THE ISSUE OF SHARES ON EXERCISE OF OPTIONS

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 20,500,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF THE ISSUE OF SHARES TO POSEIDON NICKEL LIMITED

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 10,714,286 Shares to Poseidon Nickel Limited on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF THE ISSUE OF SHARES TO POSEIDON NICKEL LIMITED

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 100,000,000 Shares to Poseidon Nickel Limited on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF THE ISSUE OF PLACEMENT SHARES – LISTING RULE 7.4

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 50,914,618 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or

it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 7 – ISSUE OF PLACEMENT OPTIONS – LISTING RULE 7.1

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 25,457,309 unlisted options on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 8 – ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 75,000,000 Shares to holders of the Convertible Notes on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – ISSUE OF SHARES TO RM CORPORATE FINANCE PTY LTD

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

“That, for the purpose of Listing Rule 7.1, and for all other purposes, Shareholders approve the allotment and issue of 8,150,660 Shares to RM Corporate Finance Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 10 – ACQUISITION OF PORT EXPLORATION PTY LTD

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

“That, for the purpose of Listing Rules 7.1 and 11.1.2, and for all other purposes, Shareholders approve the:

(a) acquisition of Port Exploration Pty Ltd and the Company undertaking a change in the scale of its activities as a result of the acquisition of Port Exploration Pty Ltd; and

(b) allotment and issue of 750,000,000 Shares and 375,000,000 unlisted options with an exercise price of \$0.003 to be exercised on or before 31 December 2020 to the Port Exploration Vendors,

on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Port Exploration Vendors or their associates or any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 11 – APPROVAL OF 10% PLACEMENT FACILITY

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

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

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 12 – APPROVAL OF SHARE PLACEMENT FACILITY

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

“That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 300,000,000 Shares at a subscription price of \$0.002 per Placement Share with 150,000,000 free attaching unlisted Options with an exercise price of \$0.003 and an expiry date of 31 December 2020 to raise up to \$600,000 before costs, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in

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

DATED THIS 26th DAY OF OCTOBER 2015

BY ORDER OF THE BOARD



**KEITH BOWKER
COMPANY SECRETARY**

Notes:

Definitions

Terms which are used in this Notice and which are defined in Section 6 of the Explanatory Memorandum have the meanings ascribed to them therein.

Note

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

Proxies

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at PO Box 964, West Perth, WA, 6872; or
- on facsimile number (+61 8) 9 481 0655,

not later than 10.00am (WST) on 25 November 2015.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 5.00pm (WST) on 26 November 2015.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

CAENEUS MINERALS LTD
ACN 082 593 235

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of Caeneus Minerals Ltd to be held at Suite 4, Ground Floor, 56 Kings Park Road, West Perth, Western Australia at 10.00am (WST) on 27 November 2015. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 6.

1. FINANCIAL AND OTHER REPORTS

As required by section 317 of the Corporations Act, the Annual Report for the year ended 30 June 2015 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the report at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the auditor's report and audit conduct. Written questions may be submitted 5 business days prior to the Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Directors, and Key Management Personnel.

The Remuneration Report, which is part of the 2015 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2015 Annual Report are available by contacting the Company's Share Registry or visiting the Company's web site (www.caeneus.com.au).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Shareholders are informed that under recent reforms to the Corporations Act, if 25% or more of the vote on this Resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action is proposed to be (if any) or has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to this Resolution. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then at the Company's 2016 annual general meeting, an extra resolution must be put to the meeting proposing that

another general meeting should be held within 90 days of the second annual general meeting. A simple majority of over 50% of the votes cast at the 2016 annual general meeting is required to pass this extra resolution. If the resolution is not passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the 2016 annual general meeting, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the “two strikes rule” and the “spill resolution” to be put to the “spill meeting”.

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the Managing Director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the 2016 annual general meeting. The ramifications of this mechanism being invoked include that the Company would not be in compliance with its corporate governance policies as a result of not having three independent directors on the Company’s audit committee or any other committees requiring independent directors.

Furthermore, depending on the outcome of voting at the subsequent annual general meeting, Shareholders may be obliged to consider a resolution to requiring the full Board (excluding the Managing Director) to seek re-election.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form the Shareholder is considered to have provided the Chairman with express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intentions.

3. RESOLUTION 2 – RE-ELECTION OF MR ANTONY SAGE AS A DIRECTOR

Resolution 2 deals with the re-election of Mr Antony Sage who retires in accordance with clause 13.2 of the Company’s Constitution and Listing Rule 14.4, and being eligible, has offered himself for re-election.

Mr Sage joined the Board on 22 December 2010.

All the Directors except for Mr Sage recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote all available proxies in favour of Resolution 2.

4. RESOLUTION 3 – RATIFICATION OF THE ISSUE OF SHARES ON EXERCISE OF OPTIONS

4.1 Background

Resolution 3 seeks Shareholder approval for the ratification of the 20,500,000 shares issued on the exercise of:

- (a) 10,000,000 unlisted Options on 22 July 2014;
- (b) 10,000,000 unlisted Options on 6 May 2015; and
- (c) 500,000 unlisted Options on 15 May 2015.

The unlisted Options had an expiry date of 31 December 2016 and an exercise price of \$0.005. On 22 July 2014, 6 May 2015 and 15 May 2015 the Company received exercise notices and a total of \$102,500 in consideration for the exercise of the Options and the issue of 20,500,000 Shares.

4.2 Listing Rules Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A).

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and/or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolution 3, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolution 3 is an ordinary resolution.

4.3 Resolution 3 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 3:

- (a) 20,500,000 Shares were issued at an issue price of \$0.005 per Share.
- (b) The Shares 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.
- (c) The Shares were issued to provide the Company with working capital.
- (d) The Shares were issued pursuant to the receipt of 3 exercise notices from the optionholders.

The Chairman intends to vote all available proxies in favour of Resolution 3.

5. RESOLUTIONS 4 & 5 – RATIFICATION OF THE ISSUE OF SHARES TO POSEIDON NICKEL LIMITED

5.1 Background

On 19 May 2015 the Company entered into a term sheet with Poseidon Nickel Limited ("**Poseidon**") and the terms sheet was amended by a variation to the terms sheet dated 27 July 2015 with respect to the acquisition of the Black Swan nickel project ("**Black Swan Acquisition**").

Under the terms of the Black Swan Acquisition the Company issued to Poseidon 10,714,286 Shares as a deposit for entering into the transaction.

Resolution 4 seeks Shareholder approval for the ratification of the 10,714,286 Shares issued under the Company's 15% capacity under Listing Rule 7.1.

As announced to the ASX on 11 September 2015, the Company was unable to complete the Black Swan Acquisition.

On 28 October 2015 the Company announced that it had settled all outstanding matters with Poseidon under the terms of the Black Swan Acquisition by agreeing to issue to Poseidon 100,000,000 Shares. Resolution 5 seeks Shareholder approval for the ratification of:

- (a) 86,263,056 shares issued under the Company's 15% placement capacity under Listing Rule 7.1; and
- (b) 13,736,944 shares issued under the Company's 10% capacity under Listing Rule 7.1A.

5.2 Listing Rules Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company's ordinary securities then on issue (in the case of Listing Rule 7.1A).

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and/or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolutions 4 and 5, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolutions 4 and 5 are ordinary resolutions.

5.3 Resolution 4 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 4:

- (a) 10,714,286 Shares were issued at an issue price of \$0.014 per Share.
- (b) The Shares 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.
- (c) The Shares were issued to Poseidon.
- (d) The Shares were issued as a 10% deposit under the terms of the Black Swan Acquisition.

The Chairman intends to vote all available proxies in favour of Resolution 4.

5.4 Resolution 5 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 5:

- (a) 100,000,000 Shares were issued at an issue price of \$0.003 per Share.
- (b) The Shares 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.
- (c) The Shares were issued to Poseidon.

- (d) The Shares were issued in the place of extension fees and in settlement of the sum of \$300,000 claimed by Poseidon as owing by the Company under the Black Swan Acquisition.

The Chairman intends to vote all available proxies in favour of Resolution 5.

6. RESOLUTION 6 – RATIFICATION OF THE ISSUE OF FIRST PLACEMENT SHARES

6.1 Background

On 28 October 2015, the Company announced that it had issued 50,914,618 Shares at an issue price of \$0.002 together with one free attaching option for every two Shares subscribed for with an exercise price of \$0.003 and an expiry date of 31 December 2020 to raise \$101,829 (before costs) (“**First Placement**”).

The First Placement of Shares was made using the Company’s 10% capacity to issue securities under Listing Rule 7.1A. As the Company did not have any residual 10% capacity to issue securities under Listing Rule 7.1A, the granting of the options pursuant to the First Placement was not completed at the time of the issue of Shares under the First Placement. The granting of the options under the First Placement is subject to and conditional upon shareholder approval pursuant to Resolution 7.

Resolution 6 seeks Shareholder approval for the ratification of the issue of 50,914,618 Shares issued under the Company’s 10% capacity under Listing Rule 7.1A.

6.2 Listing Rules Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1A).

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and/or Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolution 6, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolution 6 is an ordinary resolution.

6.3 Resolution 6 - Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 6:

- (a) 50,914,618 Shares were issued at an issue price of \$0.002 per Share.
- (b) The Shares 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.
- (c) The Shares were issued to investors who were eligible to be made offers without disclosure under an exemption under section 708 of the Corporations Act.

- (d) The funds raised from the issue (being in total \$101,829 (before costs)) will be used for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 6.

7. RESOLUTION 7 – ISSUE OF FIRST PLACEMENT OPTIONS

7.1 Background

The First Placement of Shares, the ratification of which is the subject to Resolution 6, was made using the Company's 10% capacity to issue securities under Listing Rule 7.1A. As the Company did not have any residual 10% capacity to issue securities under Listing Rule 7.1A, the granting of the options pursuant to the First Placement was not completed at the time of the issue of Shares under the First Placement. The granting of the options under the First Placement is subject to and conditional upon shareholder approval pursuant to Resolution 7.

Resolution 7 seeks Shareholder approval for the issue of 25,457,309 unlisted options with an exercise price of \$0.003 and an expiry date of 31 December 2020 ("**First Placement Options**") issued under the Company's 15% capacity under Listing Rule 7.1.

7.2 Listing Rules Chapter 7

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

By approving the issue of First Placement Options the subject of Resolution 7, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the First Placement Options the subject to Resolution 7, the First Placement Options will be nonetheless issued to the extent permissible under the Company's 15% annual placement capacity, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 7 is an ordinary resolution.

7.3 Technical Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the First Placement Options the subject of Resolution 7:

- (a) 25,457,309 unlisted options are proposed to be issued with an exercise price of \$0.003 and an expiry date of 31 December 2020.
- (b) Upon exercise of the First Placement Options to Shares, the Shares 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.
- (c) The First Placement Options were issued to investors who were eligible to be made offers without disclosure under an exemption under section 708 of the Corporations Act.
- (d) The First Placement Options will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the First Placement Options will be issued on the same date.

(f) The Options were issued for no consideration as part of the First Placement.

The Chairman intends to vote all available proxies in favour of Resolution 7.

8. RESOLUTION 8 – ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTES

8.1 Background

The Company proposes to issue a total of 75,000,000 Shares to holders of Convertible Notes or their nominees.

On 29 July 2015 the Company announced the issue of convertible notes with a total face value of \$150,000, a conversion price of \$0.008, a coupon rate of 10% and a redemption date of 19 January 2016.

The Company has subsequently agreed with the noteholders to redeem all the notes prior to the redemption date at a conversion price of \$0.002.

8.2 Listing Rules Chapter 7

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

By approving the issue of Shares the subject of Resolution 8, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the Shares the subject to Resolution 8, the Shares will be nonetheless issued to the extent permissible under the Company's 15% annual placement capacity, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 8 is an ordinary resolution.

8.3 Technical Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Shares the subject of Resolution 9:

- (a) A maximum of 75,000,000 Shares are proposed to be issued.
- (b) The Shares are to be issued to holders of the Convertible Notes.
- (c) The Shares are 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 will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the Shares will be issued on the same date;
- (f) No funds will be raised by the issue of Shares. A total of \$150,000 (before costs)) was received by the Company for the issue of the Convertible Notes.

The Chairman intends to vote all available proxies in favour of Resolution 8.

9. RESOLUTION 9 – ISSUE OF SHARES TO RM CORPORATE FINANCE PTY LTD

9.1 Background

The Company proposes to issue a total of 8,150,660 Shares to RM Corporate Finance Pty Ltd, in full and final payment of fees in the sum of \$16,301.32.

9.2 Listing Rules Chapter 7

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

By approving the issue of Shares the subject of Resolution 10, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the Shares the subject to Resolution 9, those Shares will be nonetheless issued to the extent permissible under the Company's 15% annual placement capacity, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 9 is an ordinary resolution.

9.3 Technical Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Shares the subject of Resolution 9:

- (a) A maximum of 8,150,660 Shares are proposed to be issued.
- (b) The Shares are to be issued to RM Corporate Finance Pty Ltd.
- (c) The Shares are 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 will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the Shares will be issued on the same date;
- (f) The Shares are being issued as full and final payment for \$16,301.32 of fees (excluding GST). As such, no funds will be raised from the issue thereof.

The Chairman intends to vote all available proxies in favour of Resolution 9.

10. RESOLUTION 10 – ACQUISITION OF PORT EXPLORATION PTY LTD

10.1 Background

On 28 October 2015 the Company announced that it had entered into a Memorandum of Understanding with the Port Exploration Vendors for the acquisition ("**Port Exploration Acquisition**") of all of the issued share capital of Port Exploration Pty Ltd ("**Port Exploration**").

Under the Memorandum of Understanding completion of the Port Exploration Acquisition will be made subject to various conditions precedent, including the Company completing satisfactory due diligence in relation to Port

Exploration and the Pardoo Nickel Project, completion of a fundraising by the Company and the Company obtaining all necessary shareholder approvals in relation to the Port Exploration Acquisition.

Port Exploration has entered into the Pardoo Nickel joint venture with Segue Resources Limited with the right to acquire a 51% interest in the Pardoo Project by spending \$250,000 on exploration within 12 months of signing the agreement (“**Stage 1 Interest**”). Port Exploration can then acquire an additional 29% interest in the Pardoo Project (increasing its interest to 80%) by spending a further \$250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (“**Stage 2 Interest**”). Upon Port Exploration earning the Stage 2 Interest, SEG has the right for a period of 18 months to sell its 20% joint venture interest to Port Exploration (or any listed parent company of Port Exploration), subject to necessary shareholder, ASX and other regulatory approvals.

Under the Memorandum of Understanding the consideration payable by the Company to the Port Exploration Vendors in respect of the Port Exploration Acquisition will be:

- (a) the issue of 750,000,000 Shares at a deemed issue price of \$0.001 per Share with a 1 for 2 free attaching unquoted option exercisable at \$0.003 cents on or before 31 December 2020; and
- (b) the payment of \$60,000, being the reimbursement of various costs incurred by Port Exploration in acquiring the Pardoo Nickel Project.

The Company proposes to issue a total of 750,000,000 Shares and 375,000,000 unlisted options to the Port Exploration Vendors (“**Consideration Securities**”).

10.2 Pardoo Nickel Project

The Pardoo Nickel Project is located in the Northern Pilbara, 100km east of the regional centre of Port Hedland. The Project is prospective for magmatic nickel-copper sulphides. A current inferred resource of 44.7mt @ 0.3% Ni & 0.13% Cu exists at the sedimentary hosted Highway Deposit.

The Highway Deposit was discovered by CRA in the early 1990’s and subsequently expanded upon (and marginally upgraded) through activities undertaken by Mithril and SEG during a period from 2007 through to 2010. Mineralisation at the Highway Deposit is present as disseminations and semi massive sulphides within the heavily Goldsworthy Greenstone Belt. The mineralisation has been interpreted as being hydrothermally re-mobilised from a primary magmatic source. Previous operators have described the Highway mineralisation (and that at Supply Well) as an unusual style of disseminated and semi-massive nickel-copper sulphide mineralisation that appears stratabound and discordant within meta-sediments, cherts and possible ultramafic rocks.

The results of the most recent drilling program successfully confirmed that the large-scale geophysical target is a mineralised multi-phase mafic-ultramafic intrusive complex and is an important technical breakthrough in revitalising exploration at the Pardoo Nickel Project. It is well known that types of intrusions are highly prospective for mafic-ultramafic hosted nickel-sulphide deposits. With the successful interception of a sulphide bearing, mafic, gabbroic intrusion, further work is required in the form of a detailed gravity survey and further ground based electro-magnetic surveys to delineate further targets worthy of drill testing.

The exploration strategy proposed by the Company is predicated on the theory that the source of nickel and copper mineralisation in the immediate region was derived from what is a large scale mafic-ultramafic intrusive complex to the north of the major fault zone (Pardoo Fault). Detailed assessment of this large intrusion to delineate high priority Ni-Cu-Pge exploration targets will form the core focus of exploration initiatives in the short term and medium term.

The Pardoo Nickel Project provides an excellent opportunity to build on the significant body of historical work. Geographically, it is well positioned being 15 km from the coast and approximately 100km east of Port Hedland along the Great Northern Highway and is in close proximity to power, rail and port facilities.

10.3 Advantages of the Port Exploration Acquisition

The major advantage for the Company to acquire Port Exploration is the joint venture agreement with Segue Resources Limited which gives Port Exploration the right to acquire the Pardoo Nickel Project.

The Pardoo Nickel Project is consistent with the Company's strategy of being an Australian-based mineral exploration and development company established for the purpose of acquiring a portfolio of highly prospective exploration projects or near term development projects in Australia.

Other advantages of the Port Exploration Acquisition include:

- (a) the issue of the Consideration Securities will complete the Company's obligations under the Memorandum of Understanding and will not require re-negotiation of its terms;
- (b) the acquisition of Port Exploration will result in the diversification of the Company's assets and reduce its business risk associated with the current asset portfolio of the Company;
- (c) the acquisition and associated capital raising will strengthen the balance sheet of the Company; and
- (d) the issue of the Consideration Securities will result in an increased market capitalisation of the Company which combined with the acquisition may assist the Company to raise funds in the future to further its operations.

10.4 Disadvantages of the Port Exploration Acquisition

Disadvantages of the Port Exploration Acquisition include:

- (a) the issue of the Consideration Securities will dilute existing Shareholders respective interests in the Company;
- (b) the change of geographical focus may not be consistent with the objectives of some existing Shareholders;
- (c) the acquisition will result in a change of the scale of the Company's activities and its redirection of certain funds towards the Pardoo Nickel Project may not be consistent with the objectives of some existing Shareholders; and
- (d) there is no guarantee that the Company's Shares will not fall in value as a result of the issue of the Consideration Securities.

10.5 Listing Rules Chapter 7

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

By approving the issue of the Consideration Securities the subject of Resolution 10, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

In the event that Shareholder approval is not obtained for the issue of the Consideration Securities the subject to Resolution 10, those Shares and unlisted options will be nonetheless issued to the extent permissible under the Company's 15% annual placement capacity, thereby reducing the capacity for the Company to issue further securities without first having to seek Shareholder approval.

Resolution 10 is an ordinary resolution.

10.6 Technical Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of the Shares the subject of Resolution 10:

- (a) A maximum of 750,000,000 Shares and 375,000,000 unlisted options with an exercise price of \$0.003 on or before 31 December 2020 are proposed to be issued;
- (b) The Consideration Securities are to be issued to the Port Exploration Vendors.
- (c) The Shares are all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The unlisted options will have an exercise price of \$0.003 cents on or before 31 December 2020.
- (d) The Consideration Securities will be issued as soon as practicable after the Meeting, and in any event, within 3 months of the date of the Meeting.
- (e) It is anticipated that all of the Consideration Securities will be issued on the same date;
- (f) No funds will be raised from the issue. The Consideration Securities are being issued in consideration for the acquisition of all of the shares of Port Exploration.

10.7 Change in Scale of Activities

Listing Rule 11.1.2 provides that if a company proposes to make a significant change to the scale of its activities, it must notify ASX as soon as practicable and the ASX may require the company to obtain the approval of shareholders. ASX has indicated that in view of the size and effect of the proposed Acquisition, the Company is required to seek the approval of Shareholders to the change in the scale of its activities resulting from the Acquisition of the entire issued share capital of Port Exploration.

The proposed change in the scale of activities is consistent with the business strategy disclosed to the market and Shareholders, in particular of being an Australian-based mineral exploration and development company established for the purpose of acquiring a portfolio of highly prospective exploration projects or near term development projects in Australia.

The Chairman intends to vote all available proxies in favour of Resolution 10.

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The information in this Notice of Annual General Meeting that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Mr Goodwin is a consultant to the Company. Mr Goodwin has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Goodwin consents to the inclusion in the Notice of Annual General Meeting of the matters based on his information in the form and context in which it appears.

11. RESOLUTION 11 – APPROVAL OF 10% PLACEMENT FACILITY

11.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (“**10% Placement Facility**”). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

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

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) below).

The primary purpose for the 10% Placement Facility is to enable the Company to raise additional capital without additional regulatory impediments and to pursue possible future investment opportunities that may arise.

The Directors of the Company believe that Resolution 11 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

11.2 Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (having the ASX code CAD).

(c) Formula for calculating 10% Placement Facility

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

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

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the 12 months;
 - (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an

- issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

At the date of this Notice, the Company has on issue 646,515,616 Shares and has a capacity to issue:

- (i) Nil Equity Securities under Listing Rule 7.1; and
- (ii) Nil Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.1 (c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

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

or such longer period if allowed by ASX ("**10% Placement Period**").

11.3 Listing Rule 7.1A

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

11.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days, on which trades in those securities were recorded, immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in Table A (below). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset.

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

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

The table also shows:

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

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

TABLE A

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.001 50% decrease in issue price	\$0.002 Issue price	\$0.004 100% increase in issue price
Current Variable "A" 797,430,234 Shares	10% voting dilution	398,715,117 Shares	797,430,234 Shares	1,594,860,468 Shares
	Funds raised	\$398,715	\$1,594,860	\$6,379,442
50% Increase in current Variable "A" 1,196,145,351 Shares	10% voting dilution	119,614,535 Shares	119,614,535 Shares	119,614,535 Shares
	Funds raised	\$119,614	\$239,229	\$478,458
100% Increase in current Variable "A" 1,594,860,468 Shares	10% voting dilution	159,486,047 Shares	159,486,047 Shares	159,486,047 Shares
	Funds raised	\$159,486	\$318,972	\$637,944

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes the issue of Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The Issue Price is \$0.002, being the closing price of Shares on ASX on 27 October 2015.
- (viii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1.
- (ix) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1, and the total number of Shares on issue and approved or deemed approved at the date hereof for the purpose of Listing Rule 7.1 is 1,930,580,894.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

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

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (e) The Company has obtained Shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting.

During the preceding 12 month period a total of 172,128,904 Equity Securities Shares and 150,000 convertible notes were issued, which based on the number of Equity Securities currently on issue comprises 15% of the Company's Equity Securities. Information relating to the issue of Equity Securities in the preceding 12 months is set out in the table below.

Date of Schedule 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
6/05/2015	10,000,000 Shares	Fully paid ordinary shares	Issued following the exercise of unlisted 31/12/16 options	Shares were issued at an issue price of \$0.005 per share.	The total consideration received was \$50,000 and was used for working capital purposes.
15/05/2015	500,000 Shares	Fully paid ordinary shares	Issued following the exercise of unlisted 31/12/16 options	Shares were issued at an issue price of \$0.005 per share.	The total consideration received was \$2,500 and was used for working capital purposes.
22/05/2015	10,714,286 Shares	Fully paid ordinary shares	Issued to Poseidon Nickel Limited for a 10% deposit for the Black Swan Acquisition	Shares were issued at a deemed issue price of \$0.014.	The non-cash consideration was \$150,000. The current value of the shares is \$21,429.
11/08/15	150,000 Convertible Notes	Convertible Notes	Issued to for additional working capital	Notes were issued at \$1,00 each, with a 10% per annum interest rate and a conversion price of \$0.008 on or before 19 January 2016	The total consideration received was \$150,000 and was used for working capital purposes.
28/10/15	100,000,000 Shares	Fully paid ordinary shares	Issued to Poseidon Nickel Limited for Settlement Consideration in relation to the acquisition of rights to mine the Silver Swan underground nickel mine.	Shares were issued at a deemed issue price of \$0.003.	The non-cash consideration was \$300,000. The current value of the shares is \$200,000
28/10/2015	50,914,618 Shares	Fully paid ordinary shares	Issued following completion of Placement.	Shares were issued at a price of \$0.002 per share.	The funds raised of \$101,829 will be used towards the Company's upcoming exploration programs, and for general working capital purposes.

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

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 11.

The Chairman intends to vote all available proxies in favour of Resolution 11.

12. RESOLUTION 12 - APPROVAL OF PLACEMENT FACILITY

12.1 Background

Resolution 12 seeks Shareholder approval for the issue of up to 300,000,000 placement Shares ("**Second Placement Shares**") at an issue price of \$0.002 per Placement Share together with one free attaching option for every two Shares subscribed for with an exercise price of \$0.003 and an expiry date of 31 December 2020 ("**Second Placement Options**") to raise up to a total of \$600,000 before costs ("**Second Placement Facility**").

The Company intends to conduct the Second Placement Facility by way of a placement to sophisticated and professional investors pursuant to section 708 of the Corporations Act.

A summary of ASX Listing Rule 7.1 is set out below.

The effect of Resolution 12 will be to permit the Company to issue up to 300,000,000 Second Placement Shares and 150,000,000 Second Placement Options to professional and sophisticated investors pursuant to s708 of the Corporations Act on a date or dates which is or are no later than three months after the date of this Annual General Meeting or such later time as deemed appropriate by an ASX waiver.

12.2 Listing Rules Chapter 7

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

By approving the issue of Second Placement Shares and Second Placement Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. Resolution 12 is an ordinary resolution.

12.3 Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of Shares pursuant to the Placement Facility subject of Resolution 12:

- (a) The maximum number of securities to be issued under the Second Placement Facility is 300,000,000 Second Placement Shares and 150,000,000 Second Placement Options.
- (b) The Second Placement Shares and Second Placement Options will be issued no later than 3 months after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and the allotment may occur progressively.
- (c) The Second Placement Shares will be issued by the Company as an issue price of \$0.002. The Second Placement Options will be issued for no consideration.
- (d) As subscriptions under the Second Placement Facility have not yet been arranged, the allottees will be identified by the Directors discretion but will not be related parties or associates of related parties of the Company.

- (e) The Second Placement Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (f) The funds raised from the Second Placement Facility will be applied towards undertaking the exploration program, on the Pardoo Nickel Project and for general working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 12.

13. DEFINITIONS

In this Notice and Explanatory Memorandum:

“**10% Placement Facility**” has the meaning given to it in Section 11.1;

“**10% Placement Period**” has the meaning given to it in Section 11.2;

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors;

“**Business Day**” has the meaning given to it in the Listing Rules;

“**Black Swan Acquisition**” has the meaning given to it in Section 5.1;

“**Chairman**” means the chairman of the Board;

“**Company**” means Caeneus Minerals Ltd (ACN 082 593 235);

“**Consideration Securities**” has the meaning given to it in Section 10.1;

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Equity Securities**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means this Explanatory Memorandum;

“**First Placement**” has the meaning given to it in Section 6.1;

“**First Placement Options**” has the meaning given to it in Section 7.1;

“**KMP**” means key management personnel;

“**Listing Rules**” means the official listing rules of the ASX;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Official List**” means the official list of ASX;

“**Option**” means an option to acquire one Share and “**Optionholder**” has a corresponding meaning;

“**Port Exploration**” means Port Exploration Pty Ltd;

“**Port Exploration Acquisition**” has the meaning given to it in Section 10.1;

“**Port Exploration Vendors**” means Reliant Resources Pty Ltd, MBA Finance Pty Ltd, Mr Matthew Blake, Brazilliant Pty Ltd, Distinct Racing and Breeding Pty Ltd, Mrs Stella Downey, Ms Laura Steele, Metalmite Pty Ltd, Amber Plus Pty Ltd, Mr Michael Cowin and Ms Simone Webster.

“**Poseidon**” means Poseidon Nickel Limited;

“**Resolution**” means a resolution set out in this Notice;

“**Schedule**” means a schedule to this Notice and Explanatory Memorandum;

“**Second Placement Facility**” has the meaning given to it in Section 12.1;

“**Second Placement Options**” has the meaning given to it in Section 12.1

“**Second Placement Shares**” has the meaning given to it in Section 12.1;

“**Section**” means a section of this Explanatory Memorandum;

“**Share**” means an ordinary fully paid ordinary share in the capital of the Company and “**Shareholder**” has a corresponding meaning;

“**Stage 1 Interest**” has the meaning given to it in Section 10.1;

“**Stage 2 Interest**” has the meaning given to it in Section 10.1;

“**Trading Day**” has the meaning ascribed to that term in the Listing Rules;

“**WST**” means Western Standard Time.

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CAENEUS MINERALS LTD
ACN 082 593 235
PROXY FORM

The Secretary
Caeneus Minerals Ltd
PO Box 964
West Perth WA 6872

Fax Number: (+61 8) 9 481 0655

I/We _____
of _____
being a shareholder(s) of Caeneus Minerals Ltd hereby appoint _____
of _____
or failing him/her _____
of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Suite 4, Ground Floor, 56 Kings Park Road, West Perth, Western Australia at 10.00am (WST) on 27 November 2015, and at any adjournment thereof in respect of []% of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Antony Sage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of Shares on exercise of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of issue of Shares to Poseidon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Shares to Poseidon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of issue of First Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of First Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares on conversion of convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares to RM Corporate Finance Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Acquisition of Port Exploration Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval of Second Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxies given by a natural person must be signed by each appointing shareholder or the shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing.

THE CHAIRMAN INTENDS TO VOTE ALL UNDIRECTED PROXIES IN FAVOUR OF EACH RESOLUTION EVEN IF THAT RESOLUTION IS CONNECTED DIRECTLY OR INDIRECTLY WITH THE REMUNERATION OF A MEMBER OF KEY MANAGEMENT PERSONNEL.

As witness my/our hand/s this _____ day of _____ 2015

If a natural person:

SIGNED by:

Signature

Signature (if joint holder)

If a company:

Executed in accordance with section 127 of the Corporations Act

Signature of Director

Signature of Director / Secretary