



**A-CAP RESOURCES LIMITED**  
**(ABN 28 104 028 542)**

## **NOTICE OF ANNUAL GENERAL MEETING**

## **EXPLANATORY MEMORANDUM**

## **PROXY FORM**

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**Date :** Monday 30<sup>th</sup> November 2015

**Time :** 10.30am (AEST)

**Venue :** The offices of Ashurst Australia  
Level 38 Riverside Centre  
123 Eagle St  
Brisbane QLD 4000

*These documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting*

**A-CAP RESOURCES LIMITED**  
(ABN 28 104 028 542)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of A-Cap Resources Limited (the "Company") will be held at the offices of Ashurst Australia, Level 38, Riverside Centre, 123 Eagle St, Brisbane, QLD 4000 on Monday 30<sup>th</sup> November 2015 at 10.30 am (AEST).

**AGENDA**

**ORDINARY BUSINESS**

**FINANCIAL STATEMENTS**

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2015 and the reports of the directors and auditors on those statements.

**RESOLUTION 1 – RE-ELECTION OF DR PAUL WOOLRICH AS A DIRECTOR**

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

***"That Dr Paul Woolrich, who retires by rotation in accordance with Rule 58.1 of the Company's Constitution and, being eligible for re-election, is re-elected as a director.***

**RESOLUTION 2 – RE-ELECTION OF MR HENRY STACPOOLE AS A DIRECTOR**

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

***"That Mr Henry Stacpoole, who retires by rotation in accordance with Rule 58.1 of the Company's Constitution and, being eligible for re-election, is re-elected as a director.***

**RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT**

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

***"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the 2015 Annual Report be adopted by shareholders"***

**Note:**

- (1) In accordance with section 250R(3) of the Corporations Act, this resolution is advisory only and does not bind the directors of the Company.
- (2) **Voting Exclusion Statement:**  
The Corporations Act prohibits any votes being cast on Resolution 3 by or on behalf of a person who is a member of the key management personnel of the Company (which includes the chairman and the directors), whose remuneration details are included in the Remuneration Report ("Key Executive") or any closely related party of a Key Executive ("CRP"). The Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of a Key Executive or any CRP.

However, the Company need not disregard a vote if it is cast by a Key Executive or any CRP as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of a Key Executive or any CRP. Further, the Company will disregard a vote if it is cast by a Key Executive or any CRP as a proxy appointed in writing where the proxy appointment does not specify the way the proxy is to vote on Resolution 3, unless the proxy is the Chairman of the Meeting

and the proxy appointment expressly authorises the Chairman to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a Key Executive.

## **SPECIAL BUSINESS**

### **RESOLUTION 4 – RATIFY ALLOTMENT OF SHARES**

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

***“That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue of 2,332,286 fully paid ordinary shares in the Company on 6 November 2014 at a price of 5.62 cents per share on the terms described in the Explanatory Memorandum be approved.”***

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue the subject of the Resolution or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

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

### **RESOLUTION 5 - ISSUE OF SHARES TO ANGANG SHEN**

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 632,158 fully paid ordinary shares in the Company to Angang Shen, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

#### **Note:**

- (1) The Shares referred to in Resolution 5 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 5 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

### **RESOLUTION 6 - ISSUE OF SHARES TO PAUL INGRAM**

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 2,274,860 fully paid ordinary shares in the Company to Paul Ingram, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

#### **Note:**

- (1) The Shares referred to in Resolution 6 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.

(3) **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 6 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

## **RESOLUTION 7 - ISSUE OF SHARES TO PAUL WOOLRICH**

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 1,687,900 fully paid ordinary shares in the Company to Paul Woolrich, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 7 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

## **RESOLUTION 8 - ISSUE OF SHARES TO HENRY STACPOOLE**

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 632,158 fully paid ordinary shares in the Company to Henry Stacpoole, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 8 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 8 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

## RESOLUTION 9 - ISSUE OF SHARES TO JOHN FISHER-STAMP

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 1,400,867 fully paid ordinary shares in the Company to John Fisher-Stamp, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 9 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion Statement:**  
The Company will disregard any votes cast on Resolution 9 by any person who participated in the issue the subject of the resolution or any associate of that person.  
However, the Company need not disregard a vote if it is cast by:
  - (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 10 - ISSUE OF SHARES TO MICHAEL LIU

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

***“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, the Company be authorised to allot and issue 1,218,789 fully paid ordinary shares in the Company to Michael Liu, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 10 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion Statement:**  
The Company will disregard any votes cast on Resolution 10 by any person who participated in the issue the subject of the resolution or any associate of that person.  
However, the Company need not disregard a vote if it is cast by:
  - (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## RESOLUTION 11 - ISSUE OF SHARES TO ROBERT PETT

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

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 1,157,992 fully paid ordinary shares in the Company to Robert Pett, a former director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 11 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.

(3) **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 11 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

## **RESOLUTION 12 - ISSUE OF SHARES TO RICHARD LOCKWOOD**

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

***“That for the purposes of ASX Listing Rule 10.11, and for all other purposes, the Company be authorised to allot and issue 373,716 fully paid ordinary shares in the Company to Richard Lockwood, a former director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”***

**Note:**

- (1) The Shares referred to in Resolution 12 will be issued within one month after the date of the Annual General Meeting.
- (2) The Shares will be issued for no cash consideration and accordingly no funds will be raised from the issue.
- (3) **Voting Exclusion:**

The Company will disregard any votes cast on Resolution 12 by any person who participated in the issue the subject of the resolution or any associate of that person.

However, the Company need not disregard a vote if it is cast by:

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

## **RESOLUTION 13 – APPROVAL OF A-CAP DIRECTORS SHARE PLAN**

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

***“That for the purposes of ASX Listing Rule 7.2 (exception 9) and 10.14 and for all other purposes, the A-Cap Directors Share Plan, including the issuing of securities under the plan, be approved.”***

**Voting Exclusion Statement:**

In accordance with ASX Listing Rule 7.2 (exception 9), the Company will disregard any votes cast on Resolution 13 by a director of the Company (except one who is ineligible to participate under the A-Cap Directors Share Plan) or any associate of those persons.

In accordance with Listing Rule 10.14, the Company will disregard any votes cast on Resolution 13 by a director of the Company who is eligible to participate under the A-Cap Directors Share Plan.

However, the Company need not disregard a vote if it is cast by:

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

## **RESOLUTION 14 – APPROVAL OF A-CAP SHARE OPTION PLAN**

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

***“That for the purposes of ASX Listing Rule 7.2 (exception 9) and for all other purposes, the A-Cap Share Option Plan, including the issuing of securities under the plan, be approved.”***

**Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 14 by a director of the Company (except one who is ineligible to participate under the A-Cap Share Option Plan) or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

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

**SNAPSHOT TIME**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that shares held as at 10.30 am (AEST) on Saturday 28 November 2015 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

**PROXIES**

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Principal Place of Business:	Level 15, 140 St Georges Terrace, Perth WA 6000
Facsimile Number:	(08) 9278 2617
Postal Address:	PO Box 7014, Cloisters Square, Perth WA 6850

Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

By Order of the Board



**NICHOLAS YEAK**  
**Company Secretary**  
**A-Cap Resources Limited**

29 October 2015

# A-CAP RESOURCES LIMITED

(ABN 28 104 028 542)

## EXPLANATORY MEMORANDUM TO SHAREHOLDERS

### 1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of A-Cap in connection with the business to be transacted at the annual general meeting of the Company to be held on Monday 30<sup>th</sup> November 2015.

At that meeting, shareholders will be asked to consider resolutions:

- re-electing two directors who retire by rotation;
- adopting the remuneration report;
- ratifying an allotment of Shares;
- approving the issue of Shares to directors;
- approving a Director Share Plan and;
- approving a Share Option Plan.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to shareholders in deciding whether or not to pass those resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

### 2. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

<b>Act or Corporations Act</b>	<i>Corporations Act 2001 (Cth.)</i>
<b>AGM or Annual General Meeting</b>	The annual general meeting of the Company to be held on Monday 30 <sup>th</sup> November 2015
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ACN 008 624 691)
<b>ASX Listing Rules or Listing Rules</b>	The Official Listing Rules of ASX, as amended from time to time
<b>Board</b>	The board of directors of the Company
<b>Company or A-Cap</b>	A-Cap Resources Limited (ABN 28 104 028 542)
<b>Constitution</b>	The Company's Constitution from time to time
<b>Notice of Meeting</b>	The notice convening the Annual General Meeting which accompanies this Explanatory Memorandum
<b>Options</b>	Options to subscribe for Shares
<b>Proxy Form</b>	The proxy form which accompanies this Explanatory Memorandum
<b>Shares or A-Cap Shares</b>	Fully paid ordinary shares in the Company



### 3. FINANCIAL STATEMENTS AND REPORTS

The first item on the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the financial year ended 30 June 2015. Shareholders will be given an opportunity to raise any matters of interest with directors when this item is being considered.

The Company's Annual Financial Report for the year ended 30 June 2015 has been released to the ASX and is available on the Company's website ([www.acap.com.au](http://www.acap.com.au)).

No vote is required on this item of business.

### 4. ELECTION OF DIRECTORS

In accordance with ASX Listing Rule 14.4 and pursuant to Rule 58.1 of the Constitution, at each AGM, one-third of the directors (excluding the Managing Director) must retire from office. Each retiring director is entitled to offer himself for re-election as a director at the annual general meeting.

Each of Dr Woolrich and Mr Stacpoole will retire by rotation in accordance with the requirements of the Constitution at the AGM. Being eligible, each of Dr Woolrich and Mr Stacpoole seek re-election as a director of the Company at the AGM.

### 5. RESOLUTION 1 – RE-ELECTION OF DR PAUL WOOLRICH AS A DIRECTOR

Dr Woolrich has over 40 years' experience in the international exploration and mining industry focussed on gold, base metals and PGEs, with the last 20 years spent in senior management positions with Western Mining Corporation, Ranger Minerals Ltd, Orion Resources, Gallery Gold and Platmin Ltd. He was Project Manager in charge of the feasibility study of Platmin's Pilanesberg PGE Project in South Africa in 2004-2006. Dr Woolrich is managing the metallurgical aspect of A-Cap's Bankable Feasibility Study into the viability of the Letlhakane Uranium Project. He holds degrees in geology (BSc honours), geochemistry (MSc) and metallurgy (PhD).

Dr Woolrich was appointed as a director of the Company on 18 December 2007.

#### ***Recommendation***

The directors (with Dr Woolrich abstaining) recommend that shareholders vote in favour of Dr Woolrich's re-election.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

### 6. RESOLUTION 2 – RE-ELECTION OF MR HENRY STACPOOLE AS A DIRECTOR

Mr Stacpoole will also retire by rotation in accordance with the requirements of the Constitution at the AGM. Being eligible, Mr Stacpoole seeks re-election as a director of the Company at the AGM.

Mr Stacpoole is a Director of Stacpoole Enterprises Pty Ltd, a civil contracting, drilling and mining exploration company based in Launceston in Tasmania. He was a founding Director of Beaconsfield Gold Mines Ltd in 1987 and was closely involved in the development of that company's mine in Tasmania becoming Chairman of the restructured Beaconsfield Gold N.L. in 1992. He resigned as a Director in 2001. He is a Life Member of the Tasmanian Minerals Council.

Mr Stacpoole was appointed a director of the Company on 30 March 2005.

### **Recommendation**

The directors (with Mr Stacpoole abstaining) recommend that shareholders vote in favour of Dr Stacpoole's re-election.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

## **7. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT**

The Corporations Act includes disclosure requirements for companies whose shares are quoted on the ASX by requiring that the directors of the company include a remuneration report in the Company's annual report and that a resolution be put to shareholders each year to adopt that report.

The remuneration report is set out in the Company's Annual Report.

The remuneration report:

- outlines the Board's policy for determining the nature and amount of remuneration for directors and executives of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a director or executive;
- details the remuneration (including options) of each director and executive of the Company for the year; and
- summarises the terms of any contract under which any director or executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The vote on the resolution is advisory only and does not bind the directors or the Company, nor does it affect the remuneration paid or payable to the Company's directors or the executives. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

Section 250R(4) of the Corporations Act prohibits any votes on this resolution being cast by senior executives (or their associates) whose remuneration details are disclosed in the report.

This prohibition extends to undirected proxy votes to be cast by the Chairman. In this regard, you should specifically note that if you indicate on the Proxy Form that you do not wish to specify how your proxy should vote on Resolution 3, you will be deemed to have expressly directed the Chairman to cast your votes **in favour of Resolution 3**. **If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 3, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 3 in the Proxy Form.**

## **8. RESOLUTION 4 – RATIFY ALLOTMENT OF SHARES**

On 6 November 2014 the Company issued 2,332,286 Shares at 5.62 cents per Share.

The issue of Shares was for no cash consideration and consequently no funds were raised by the issue. The Shares were issued pursuant to a resolution of directors on 23 May 2013 to reduce company overheads including consultancy fees and salaries to a number of employees.

In order to compensate those persons whose remuneration was reduced, the Board resolved to allot A-Cap Shares for the amount of the reduction for the period in which the reduction is in effect. The reduction period commenced on 1 June 2013 and was in effect until 30 September 2014. It was further resolved that the issue price of the Shares allotted would be equal to the volume-weighted average price of A-Cap Shares traded on the ASX for the period covering the reduction.

The volume-weighted average price of A-Cap Shares traded on the ASX for the period 1 June 2013 to 30 September 2014 was 5.62 cents per share.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12 month period without first obtaining shareholder approval. Listing Rule 7.4 allows a company to seek ratification by shareholders of an issue of shares which has been made without approval under Listing Rule 7.1 provided the issue did not breach Listing Rule 7.1.

As the issue the subject of Resolution 4 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, the Board now seeks shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing Resolution 4 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 2,332,286 Shares issued on 6 November 2014.

The Board considers that this is a timely and cost-effective opportunity to put Resolution 4 to shareholders at the Annual General Meeting.

For the purpose of Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (1) The total number of Shares issued was 2,332,286;
- (2) The Shares were issued at a price of 5.62 cents each. The Shares rank equally in all respects with the Company's existing Shares;
- (3) The securities issued are fully paid ordinary shares in the Company;
- (4) On 23 May 2013, the directors resolved to reduce company overheads including director fees, consultancy fees and salaries to a number of employees ("Cost Reduction Plan"). The shares were issued to employees and consultants of the Company who agreed to a pay reduction in line with the approved Cost Reduction Plan; and
- (5) The issue of Shares was for no cash consideration and consequently no funds were raised by the issue.

### ***Recommendation***

The directors recommend that shareholders vote in favour of this Resolution.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

## **9. RESOLUTIONS 5 TO 12 - ISSUE OF SHARES TO DIRECTORS**

### **Background**

On 23 May 2013, the directors resolved to reduce company overheads including director fees, consultancy fees and salaries to a number of employees ("Cost Reduction Plan").

In order to compensate those persons whose remuneration was reduced, the Board resolved, subject to shareholder approval where required, to allot A-Cap Shares for the amount of the reduction for the period in which the reduction is in effect. The reduction commenced on 1 September 2014 and was in effect until 30 September 2015. It was further resolved that the issue price of the Shares to be allotted would be equal to the volume-weighted average price of A-Cap Shares traded on the ASX for the period covering the reduction.

The volume-weighted average price of A-Cap Shares traded on the ASX for the following reduction periods are as follows:

- i) Reduction period applicable for Directors who have held office from 1 September 2014 to 30 September 2015, VWAP is calculated as 4.284 cents per share;
- ii) Reduction period applicable for former Directors:

- a. Robert Pett held office from 1 September 2014 to 11 June 2015, VWAP is calculated as 4.896 cents per share;
- b. Richard Lockwood held office from 1 September 2014 to 22 June 2015, VWAP is calculated as 4.838 cents per share;
- iii) Reduction period applicable to Directors receiving consulting fees under the Cost Reduction Plan is from 1 October 2014 to 30 September 2015. VWAP is calculated as 4.234c per share;
- iv) Reduction period for Director appointed to the Board on 18 June 2015, VWAP is calculated as 2.397 cents per share; and
- v) Reduction period for Director appointed to the Board on 3 July 2015, VWAP is calculated as 2.178 cents per share.

On 30 September 2015, the Board approved the terms of Director Service Agreements between A-Cap and Mr Ingram, Mr Fisher-Stamp and Mr Liu respectively. The terms of the Service Agreements set out that 50% of consulting fees are to be settled by Shares in A-Cap. The Shares are to be allotted based on the price of A-Cap Shares on the date of each monthly invoice.

The following A-Cap share prices were used to calculate the issue price of the Shares relating to Director Service Agreements:

- vi) 17<sup>th</sup> August 2015: 2.4c
- vii) 28<sup>th</sup> August 2015: 2.1c
- viii) 1<sup>st</sup> September 2015: 2.1c
- ix) 1<sup>st</sup> October 2015: 1.7c

The Company proposes to issue Shares to each of Mr Shen, Mr Ingram, Dr Woolrich, Mr Stacpoole, Mr Fisher-Stamp and Mr Liu, each a director of the Company, in the following proportions:

<b>Name of Director</b>	<b>Reduction in fees</b>	<b>Shares</b>
A Shen	\$27,083	632,158
P Ingram	\$61,595	2,274,860
P Woolrich	\$71,783	1,687,900
H Stacpoole	\$27,083	632,158
J Fisher-Stamp	\$28,203	1,400,867
M Liu	\$23,716	1,218,789
<b>Total</b>	<b>\$239,463</b>	<b>7,846,732</b>

The Company proposes to issue Shares to each of Mr Pett and Mr Lockwood, each a former director of the Company, in the following proportions:

<b>Name of Director</b>	<b>Reduction in fees</b>	<b>Shares</b>
R Pett	\$56,700	1,157,992
R Lockwood	\$18,082	373,716
<b>Total</b>	<b>\$74,782</b>	<b>1,531,708</b>

Shareholder approval for the issue of the Shares is sought pursuant to Listing Rule 10.11 and for all other purposes.

The directors' remuneration packages, excluding the Shares, are as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Salary / Fees &amp; Superannuation</b>
A Shen	Chairman	\$25,000
P Ingram	Deputy Chairman	\$26,872
P Woolrich	Executive Director	\$26,872

H Stacpoole	Non-executive	\$26,872
J Fisher-Stamp	Non-executive	\$26,872
M Liu	Non-executive	\$25,000

## **Reason for shareholder approval under Listing Rules**

### **Listing Rule 10.11**

Listing Rule 10.11 provides that a company must not issue or agree to issue equity securities to a related party (which includes directors) without first obtaining the approval of shareholders by ordinary resolution. As Resolutions 5 to 12 relate to the issue of equity securities to directors of the Company, shareholder approval must be obtained.

As approval of shareholders is being sought pursuant to Listing Rule 10.11, pursuant to Listing Rule 7.2 Exception 14, approval under Listing Rule 7.1 is not required.

### **Listing Rule 10.13**

In accordance with Listing Rule 10.13, the following information is provided to shareholders:

- (1) The Shares will be issued to Mr Shen, Mr Ingram, Dr Woolrich, Mr Stacpoole, Mr Fisher-Stamp, Mr Liu, Mr Pett and Mr Lockwood.
- (2) The Shares will be issued to.
- (3) The total number of Shares to be issued under Resolutions 5 to 12 is 9,738,440.
- (4) The Shares will be issued as soon as practicable after the Annual General Meeting but in any event not later than one month after the Annual General Meeting.
- (5) The Shares will be issued for nil cash consideration and accordingly no funds will be raised by their issue. The securities issued are fully paid ordinary shares in the Company.

### **Recommendations**

The directors (with Mr Shen abstaining) recommend that shareholders vote in favour of Resolution 5.

The directors (with Mr Ingram abstaining) recommend that shareholders vote in favour of Resolution 6.

The directors (with Dr Woolrich abstaining) recommend that shareholders vote in favour of Resolution 7.

The directors (with Mr Stacpoole abstaining) recommend that shareholders vote in favour of Resolution 8.

The directors (with Mr Fisher-Stamp abstaining) recommend that shareholders vote in favour of Resolution 9.

The directors (with Mr Liu abstaining) recommend that shareholders vote in favour of Resolution 10.

The directors recommend that shareholders vote in favour of Resolution 11.

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

The Chairman intends to vote all undirected proxies in favour of Resolutions 5 to 12.

## 10. RESOLUTION 13 - APPROVAL OF THE A-CAP DIRECTOR SHARE PLAN

### Background

The Company proposes to establish the A-Cap Directors Share Plan (the "Directors Share Plan") for eligible directors of the Company.

The purpose of the Directors Share Plan is to provide directors of the Company with the ability to sacrifice their directors fees to acquire ordinary fully paid shares in the capital of the Company. In the current economic climate the salary sacrifice serves as an effective cash preservation mechanism, whilst aligning the interests of directors with those of shareholders.

ASX Listing Rule 7.1 prohibits the Company from issuing equity securities which in aggregate exceed 15% of its fully paid ordinary share capital in any 12 month period. Pursuant to Listing Rule 7.2 (exception 9), this rule does not apply to the issue of securities by the Company under an employee incentive scheme if the scheme has been approved by shareholders within 3 years before the issue date of the securities and the requirement of Listing Rule 7.2 (exception 9) are satisfied.

Further, ASX Listing Rule 10.11 prohibits the Company from issuing equity securities to a related party of the Company (including a director) without shareholder approval. Pursuant to Listing Rule 10.12 (exception 4), this rule does not apply to the issue of securities under an employee incentive scheme if the scheme has been approved by shareholders under Listing Rule 10.14 and the Company has also complied with certain ongoing disclosure requirements.

Approval is being sought pursuant to Listing Rule 7.2 (exception 9) and Listing Rule 10.14, and in compliance with Listing Rule 10.15A. Pursuant to Listing Rule 7.2 (exception 14), approval under Listing Rule 7.1 is not required as approval is being sought under Listing Rule 10.14.

### Summary of the Directors Share Plan

In summary, it is proposed that the Directors Share Plan will operate as follows:

#### Eligibility and participation

All directors of the Company are eligible to participate in the Directors Share Plan.

Each director that elects to participate in the Director Share Plan must provide notice to the Company for the relevant financial year indicating the percentage of their directors fees that they elect to sacrifice under the terms of the plan, which percentage may be varied during the course of the year. The specified percentage must be at least 10% (unless otherwise determined by the Board) and may be up to 100%.

#### Acquisition of Shares

Under the Directors Share Plan, at the Company's discretion, it may either issue new Shares to directors or acquire Shares on the ASX for the benefit of directors under the plan.

Each director will be provided with the number of Shares equal to the amount of fees sacrificed by the director in the relevant year divided by:

- i) in the case of Shares being purchased on the ASX, the average price paid for Shares on ASX under the Directors Share Plan (inclusive of costs associated with their acquisition); or
- ii) in the case of Shares being issued by the Company, the volume weighted average price for sales on ASX during the sacrificed period.

### **Maximum number of Shares that can be issued**

The maximum number of Shares that may be issued under the Directors Share Plan, together with the number of Shares issued or issuable under any other employee incentive scheme of the Company, within the previous 3 years, may not exceed 5% of the issued and outstanding Shares from time to time.

Further, the Board has resolved that the maximum number of Shares that may be acquired under the Directors Share Plan by all persons for whom approval is required under ASX Listing Rule 10.14 is 22,500,000.

Subject to the Listing Rules, Shares may be issued under the Directors Share Plan during the period of 3 years following the approval of the plan by shareholders.

### **Restriction on transfer of Shares**

The Directors Share Plan provides that in respect of Shares acquired under the plan, a director is restricted in dealing with these Shares (including selling, transferring or mortgaging the Shares) before the earlier of:

- i) the end of the period of one year after the acquisition of the Share;
- ii) the time when the director ceases to be a director of the Company;
- iii) the time when a takeover bid is made for the Company or a merger transaction is announced or entered into by the Company that will result in a person having a relevant interest in 50% of more of the Shares; and
- iv) any time that the Board gives notice that the Shares have ceased to be subject to any restrictions on disposal, which notice can be given at the discretion of the Board.

If considered appropriate, the Company is permitted to implement any procedure it considers appropriate to restrict a non-executive director from dealing with shares acquired under the plan, including imposing a holding lock on shares acquired.

### **Administration and amendment of the plan**

The Directors Share Plan will be administered by the Board who, subject to the ASX Listing Rules, may amend or vary the plan.

### **Listing Rule 10.15A Statement**

In accordance with Listing Rule 10.15A, the following information is provided to shareholders:

- (1) The persons entitled to participate under the Directors Share Plan are the directors of the Company and there are no other persons entitled to participate.
- (2) The Board has resolved that the maximum number of Shares that may be acquired by all persons for whom approval is required is 22,500,000. The number of Shares that can be issued is further subject to the caps set out under the title "Maximum number of Shares that can be issued" above. Subject to these caps, each director is entitled to elect that up to 100% of their directors fees be paid in Shares, and the formula for calculating the number of Shares to be issued is set out above under the title "Acquisition of Shares" above.
- (3) The formula for calculating the price for securities acquired under the Directors Share Plan is set out under the title "Acquisition of Shares" above. In relation to Shares issued under the Directors Share Plan, the issue price will be the volume weighted average price for sales on ASX during the sacrificed period.



- (4) As the Directors Share Plan has not previously been approved, there have been no securities previously issued under the plan. This statement is also made for the purposes of Listing Rule 7.2, exception 9(b).
- (5) All of the directors of the Company are entitled to participate in the Directors Share Plan, being as at the date of this notice, Mr Thomson, Mr Shen, Mr Ingram, Dr Woolrich, Mr Stacpoole, Mr Fisher-Stamp and Mr Liu.
- (6) There are no loans relating to the acquisition of securities under the Directors Share Plan.
- (7) Details of any Shares issued under the Directors Share Plan will be published in the Company's Annual Report covering the period in which the Shares were issued and that approval was obtained under Listing Rule 10.14. Any additional persons, other than the Company's directors, that may become entitled to participate in the Directors Share Plan will not participate until any applicable approval is obtained for such persons to participate pursuant to the Listing Rules.
- (8) Shares will be able to be issued under the Directors Share Plan during the period of 3 years following the approval of the plan by shareholders.

### ***Recommendation***

As each of the directors is entitled to participate in the Directors Share Plan, each director has abstained from making a recommendation to shareholders in relation to resolution 13.

The Chairman of the Meeting intends to vote undirected Proxies in favour of this resolution.

## **11. RESOLUTION 14 - APPROVAL OF THE A-CAP SHARE OPTION PLAN**

### **Background**

The Company proposes to establish the A-Cap Share Option Plan (the "Share Option Plan") for eligible employees and executives of the Company.

The Share Option Plan will supersede the Executive and Employee Option Plan (the "Old Plan") that was previously approved by shareholders at the Annual General Meeting of A-Cap Resources Limited held on the 29<sup>th</sup> November 2006. The directors consider that the Old Plan is out-of-date, including that it does not refer to the relevant provisions of the Corporations Act 2001 (Cth) and the Listing Rules and that it does not adequately address current ASIC Class Order requirements.

The purpose of the Share Option Plan is to provide certain employees and executives, as determined by the Board, an opportunity to accept an offer from the Company to acquire an option to acquire Shares. Such an employee incentive scheme assists the Company with recruitment, reward, retention and motivation of certain employees and executives of the Company.

ASX Listing Rule 7.1 prohibits the Company from issuing equity securities which in aggregate exceed 15% of its fully paid ordinary share capital in any 12 month period. Pursuant to Listing Rule 7.2 (exception 9), this rule does not apply to the issue of securities by the Company under an employee incentive scheme if the scheme has been approved by shareholders within 3 years from the date of issue of the relevant securities.

Approval is being sought pursuant to Listing Rule 7.2 (exception 9).

### **Summary of the Share Option Plan**

In summary, it is proposed that the Share Option Plan will operate as follows:

#### **Eligibility**

Only persons that are an executive or employee (full time or part time), or a prospective executive or employee, of the Company or a subsidiary of the Company, may be determined by the Board as being eligible to participate in the Share Option Plan ("Eligible Participant").



In determining whether an Eligible Participant may participate in the Share Option Plan, the Board may consider the person's position in the Company or a subsidiary of the Company, the services provided by the person, and the person's employment record and potential contribution to the Company, as well as any other matters that the Board considers relevant.

### **Term of options**

On issuing an invitation inviting an Eligible Participant to participate, the Board will determine the terms of the options proposed to be issued, including any vesting conditions, the exercise price, the exercise period and any other terms or conditions that will apply to the options.

### **Maximum number of options that can be issued**

The Company will not be permitted to issue options under the Share Option Plan if the number of Shares issued under any employee incentive scheme of the Company (including the Directors Share Plan), together with the number of Shares that would be issued on the exercise of issued options, issued within the previous 3 years, exceeds 5% of the issued outstanding Shares.

### **Transferability of options**

Options are non-transferrable except with the prior written consent of the Board or where required by law in certain circumstances. The options will not be quoted on the ASX.

### **Restriction on transfer of Shares**

The Board may impose any restriction as to disposal or other dealing by an Eligible Participant for a period in respect of the Shares issued as part of the terms and conditions of the grant of the options, and may implement any procedure it considers appropriate that complies with the ASX Listing Rules to ensure the Eligible Participants' compliance with the restrictions.

### **Adjustments**

The options issued are subject to adjustment in certain circumstances, including in the event of the Company making a pro rata entitlement offer of new Shares, a pro rata bonus issue, subdividing or consolidating its Shares, making a return of capital to shareholders, cancelling share capital or reorganising its share capital.

### **Administration**

The Board will manage and administer the Share Option Plan for the Company and may amend the Share Option Plan at any time, subject to certain exceptions (such as where the amendment would reduce existing rights, and where required otherwise by the ASX Listing Rules).

### **Previous securities issued under the Directors Share Plan**

In accordance with Listing Rule 7.2, exception 9 (b), the Company confirms that, as the Share Option Plan has not previously been approved, there have been no securities previously issued under the plan.

### **Recommendation**

As each of the directors may be entitled to participate in the Share Option Plan, each director has abstained from making a recommendation to shareholders in relation to resolution 14.

The Chairman of the Meeting intends to vote undirected Proxies in favour of this resolution.

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

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by shareholders. All shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the AGM in person.

## PROXY FORM

The Secretary  
 A-Cap Resources Limited  
 Level 15, AMP Building  
 140 St Georges Terrace  
 PERTH WA 6000

I/We .....  
 (Full Name – Block Letters)

of .....  
 being a member of A-Cap Resources Limited hereby appoint

..... to exercise .....% of my/our voting rights  
 (Name of 1<sup>st</sup> Proxy)

..... to exercise .....% of my/our voting rights  
 (2<sup>nd</sup> Proxy - Optional)

or in his/her absence, or if no person is named, the Chairman of the meeting as my/our proxy/proxies to act generally and vote on my/our behalf at the Annual General Meeting of the Company to be held at 10.30 am on Monday 30<sup>th</sup> November 2015 and at any adjournment thereof in accordance with this Proxy Form.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he thinks fit.

The Chairman of the meeting will act as your proxy if you do not appoint someone or failing the attendance of any person named as your proxy. It is the Chairman's intention to exercise undirected proxies in favor of Resolutions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

In the case of Resolution 3, if the Chairman is appointed as your proxy (either expressly or by default), then he will cast your votes in favour of the Resolution if you have not specifically directed him to vote against, or abstain from voting on, the Resolution, and by completing and returning this Proxy Form you expressly authorise the Chairman to exercise your proxy on Resolution 3 (except where you have indicated a different voting intention below) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company. **If you wish to appoint the Chairman as your proxy but do not wish your votes to be cast in favour of Resolution 3, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 3 below.**

**Voting directions to your proxy - please mark only one of the boxes with an "X" for each resolution to indicate your directions.**

	RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1.	To re-elect Dr Paul Woolrich as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect Mr Henry Stacpoole as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Ratify allotment of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Issue of Shares to Mr Angang Shen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Issue of Shares to Mr Paul Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Issue of Shares to Dr Paul Woolrich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Issue of Shares to Mr Henry Stacpoole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Issue of Shares to Mr Fisher-Stamp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Issue of Shares to Mr Michael Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Issue of Shares to Mr Robert Pett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Issue of Shares to Mr Richard Lockwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Approval of the A-Cap Directors Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Approval of the A-Cap Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the "Abstain" box with an "X" for a particular Resolution, 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.

Date:.....2015.

.....  
Signature of Member

.....  
Signature of Joint Member

Or if a company:  
THE COMMON SEAL OF ..... )  
was affixed in the presence of, )  
and the sealing is attested by: )

.....  
Secretary

.....  
Director

Or if a company with no common seal:

EXECUTED by authority of its directors

.....  
Signature of Director

.....  
Signature of Director / Company Secretary

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.
- (4) Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the principal place of business, Level 15, AMP Building, 140 St Georges Terrace, Perth WA 6000 or faxed to the Company (Fax No: (08) 9278 2617 and for overseas shareholders: (618) 9278 2617), not less than 48 hours before the time appointed for holding the meeting. A proxy presented by a company should be under the common seal of that company.