

# ESPERANCE MINERALS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of all shareholders of Esperance Minerals Limited (ACN 009 815 605) (**Shareholders**) will be held at the offices of RSM, Level 12, 60 Castlereagh Street, Sydney, NSW 2000, Australia on Monday 30 November 2015 at 2:30pm, Sydney time.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting provides information in relation to each of the matters to be considered. This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.

### BUSINESS

#### FINANCIAL REPORTS

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To receive and consider the Company's Annual Report comprising of the Financial Report and the Reports of the Directors and Auditors for the financial year ended 30 June 2015.

#### RESOLUTION 1 - REMUNERATION REPORT

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To receive and consider the Remuneration Report for the year ended 30 June 2015 in accordance with Section 250R(2) of the *Corporations Act 2001* and if thought fit to pass the following non binding Ordinary Resolution:

##### **Resolution 1**

*"That the Remuneration Report, which is included from pages 17 to 18 of the Directors' Report, be adopted."*

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

#### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member,  
and either
- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and

- (d) the proxy is the chair of the meeting and the appointment of the chair as proxy:
- (1) does not specify the way the proxy is to vote on the resolution; and
  - (2) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

### **Voting Intention of Chair**

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

### **RESOLUTIONS 2 - ELECTION OF DIRECTOR**

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To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

#### ***Resolution 2***

*“That Sophia Zhang be elected as a Director of the Company.”*

#### **Explanatory Note**

Pursuant to Clause 6.1(e) of the Company’s constitution Ms Zhang, appointed 7 May 2015 under Clause 6.1(d), retires and is offering herself for election.

#### **Directors’ recommendation**

All directors abstain from recommending that shareholders vote in favour or otherwise of resolutions 2,3,4,5 and 6.

### **RESOLUTIONS 3 - ELECTION OF DIRECTOR**

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To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

#### ***Resolution 3***

*“That John Rawicki be elected as a Director of the Company.”*

#### **Explanatory Note**

Pursuant to Clause 6.1(e) of the Company’s constitution Mr Rawicki, appointed 7 May 2015 under Clause 6.1(d), retires and is offering himself for election.

#### **Directors’ recommendation**

All directors abstain from recommending that shareholders vote in favour or otherwise of resolutions 2,3,4,5 and 6.

### **RESOLUTIONS 4 - ELECTION OF DIRECTOR**

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To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

#### ***Resolution 4***

*“That Robert Lees be elected as a Director of the Company.”*

#### **Explanatory Note**

Pursuant to Clause 6.1(e) of the Company's constitution Mr Robert Lees, appointed 12 August 2015 under Clause 6.1(d), retires and is offering himself for election.

#### **Directors' recommendation**

All directors abstain from recommending that shareholders vote in favour or otherwise of resolutions 2,3,4,5 and 6.

### **RESOLUTIONS 5 - ELECTION OF DIRECTOR**

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To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

#### **Resolution 5**

*"That Ms Silvi ElKhouri be elected as a Director of the Company."*

#### **Explanatory Note**

Pursuant to Clause 6.1(e) of the Company's constitution Ms Silvi ElKhouri, appointed 13 August 2015 under Clause 6.1(d), retires and is offering himself for election.

#### **Directors' recommendation**

All directors abstain from recommending that shareholders vote in favour or otherwise of resolutions 2,3,4,5 and 6.

### **RESOLUTIONS 6 - ELECTION OF DIRECTOR**

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To consider and if thought fit to pass the following resolutions as Ordinary Resolutions:

#### **Resolution 6**

*"That Mr Tony Ho be elected as a Director of the Company."*

#### **Explanatory Note**

Pursuant to Clause 6.1(e) of the Company's constitution Mr Tony Ho, appointed 12 October 2015 under Clause 6.1(d), retires and is offering himself for election.

#### **Directors' recommendation**

All directors abstain from recommending that shareholders vote in favour or otherwise of resolutions 2,3,4,5 and 6.

### **RESOLUTION 7 - APPROVAL OF ADDITIONAL PLACEMENT UNDER ASX LISTING RULE 7.1A**

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To consider and, if thought fit, pass the following as a **Special Resolution** of the Company:

#### **Resolution 7**

*"That in accordance with ASX Listing Rule 7.1A, and for all other purposes, approval be given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

Please refer to the Explanatory Statement for details of this resolution.

The entity 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 the resolution is passed; and
- an associate of that person (or those persons).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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 - RATIFICATION OF THE ISSUES OF SHARES UNDER ASX LISTING RULE 7.1**

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To consider and, if thought fit, pass the following as a Ordinary Resolution of the Company:

##### **Resolution 8**

*" That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 20,000,000 share in the Company to professional and sophisticated, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice be and is hereby ratified and approved."*

Please refer to the Explanatory Statement for details of this resolution.

The entity will disregard any votes cast on this resolution by:

- A person who participated in the issue and; and
- an associate of that person (or those persons).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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 - RATIFICATION OF THE ISSUE OF SHARE UNDER ASX LISTING RULE 7.1**

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To consider and, if thought fit, pass the following as a Ordinary Resolution of the Company:

##### **Resolution 9**

*" That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 1,000,000 shares and 1,000,000 Options in the Company to the vendor of eDutyFree Pty Ltd, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice be and is hereby ratified and approved."*

Please refer to the Explanatory Statement for details of this resolution.

The entity will disregard any votes cast on this resolution by:

- A person who participated in the issue and; and
- an associate of that person (or those persons).

However, the entity need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- 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.

### **Important Note:**

The proposed allottees of any securities under this resolution are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

**Dated: 28 October 2015**

**By order of the Board**



**Robert Lees**  
Secretary

### **DETERMINATION OF MEMBERSHIP AND VOTING ENTITLEMENT**

Everyone who is registered as a Shareholder at 7.00pm (Sydney time) on 29 November 2015 can vote at the Annual General Meeting.

You may vote by:

- (a) attending the Annual General Meeting in person (yourself or by sending an attorney, or, if you hold Shares through a company, by sending a corporate representative on your behalf); or
- (b) completing and returning a proxy form.

A proxy form accompanies this Notice of Annual General Meeting. The proxy form contains instructions on how to complete the form, the rules applicable to proxies, where to send the form and information regarding corporate representatives.

### **VOTING BY PROXY**

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

### **ENQUIRIES**

If you have any questions in relation to the Resolutions to be considered at the Meeting, please call Mr Robert Lees on +61 2 9299 9580 between 9.00am and 5.00pm (Sydney time) Monday to Friday.

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the Annual General Meeting of the Company. It is given to the Shareholders to help them determine how to vote on the Resolutions set out in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting.

## CONSIDER THE COMPANY'S ANNUAL REPORT

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the Financial Statements for the Company and its controlled entities for the financial year ended 30 June 2015 were despatched to Shareholders and released to the ASX Limited on 30 September 2015. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

## RESOLUTION 1 - REMUNERATION REPORT

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### General

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2016 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2016 annual general meeting. All of the Directors who were in office when the Company's 2016 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

## **Voting Restrictions**

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1 (in any capacity), details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act.

## **RESOLUTIONS 2 - ELECTION OF DIRECTOR**

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Clause 6.1(e) of the Constitution requires that any director appointed to fill a casual vacancy, retire at the next general meeting following his appointment. A Director who retires by rotation under clause 6.1(f) of the Constitution is eligible for re-election.

Ms Sophia Zhang, appointed 7 May 2015, retires and seeks re-election.

Ms Zhang holds a Bachelor of Arts degree from Shen Zhen University of PRC.

Ms Zhang has a broad range of corporate experience, including 20 years of international sales and marketing experience in healthcare. Ms. Zhang currently runs a successful import/export business that markets and distributes Australian healthcare products, in particular Nature's Care and Toplife brands in China.

## **RESOLUTIONS 3 - ELECTION OF DIRECTOR**

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Clause 6.1(e) of the Constitution requires that any director appointed to fill a casual vacancy, retire at the next general meeting following his appointment. A Director who retires by rotation under clause 6.1(f) of the Constitution is eligible for re-election.

Mr John Rawicki, appointed 7 May 2015, retires and seeks re-election.

Mr. Rawicki holds a Bachelor of Commerce from the University of Sydney and has had 10 years' experience in stockbroking and corporate finance across the healthcare, resources and technology sectors. Mr Rawicki is the Managing Director of BlueSky Shareholder Services, which provides investor relations and corporate advisory services to listed companies.

## **RESOLUTIONS 4 - ELECTION OF DIRECTOR**

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Clause 6.1(e) of the Constitution requires that any director appointed to fill a casual vacancy, retire at the next general meeting following his appointment. A Director who retires by rotation under clause 6.1(f) of the Constitution is eligible for re-election.

Mr Robert Lees, appointed 12 August 2015, retires and seeks re-election.

Mr Lees is member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia. He is a graduate of the UTS, holding a Bachelor of Business (Accounting) and a Graduate Diploma in Data Processing. In the last 14 years he has provided Company Secretarial services to small ASX listed companies. He is currently Company Secretary of four Listed Public Companies.

## **RESOLUTIONS 5 - ELECTION OF DIRECTOR**

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Clause 6.1(e) of the Constitution requires that any director appointed to fill a casual vacancy, retire at the next general meeting following his appointment. A Director who retires by rotation under clause 6.1(f) of the Constitution is eligible for re-election.

Mr Silvi ElKhouri, appointed 13 August 2015, retires and seeks re-election.

Ms. ElKhouri has a Master of Business Administration and a Bachelor of Science.

She has had extensive international business and finance experience and is currently involved in international business, international financial markets, and executive administration for a wide range of companies. She has been involved strategically and instrumentally, in assisting in several merger and acquisitions both in listed and unlisted companies. She has also assisted in the acquisitions of strategic business and intellectual properties on behalf of public listed companies on listed bourses, including the ASX and the UK AIM Market.

She served on the Board of ASX Listed Bioprospect Limited from 15 November 2013 to 2 Sept 2014.

## **RESOLUTIONS 6 - ELECTION OF DIRECTOR**

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Clause 6.1(e) of the Constitution requires that any director appointed to fill a casual vacancy, retire at the next general meeting following his appointment. A Director who retires by rotation under clause 6.1(f) of the Constitution is eligible for re-election.

Mr Tony Ho, appointed 12 October 2015, retires and seeks re-election.

Mr. Ho holds a Bachelor of Commerce degree from the UNSW. He is a member of the Institute of Chartered Accountants in Australia and New Zealand, and a fellow of the Institute of Chartered Secretaries, Governance Institute of Australia and the Australian Institute of Company Directors.

Mr Tony Ho is an experienced company director having held executive directorships and chief financial officer roles with a number of publicly listed companies. Tony was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate and governance experience include being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O'Brien group of companies and Volante Group Limited. M. S. McLeod operated the Downtown Duty Free stores at Sydney and Perth Airports and at 5 other off-airport duty free store locations nationally.

Prior to joining commerce, Tony was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young.

He is a non-executive director of Apollo Minerals Limited (ASX: AON, since July 2009) and Hastings Rare Metals Limited, (ASX: HAS, since March 2011 and non-executive Chairman of Bioxyne Limited (ASX: BXN, since November 2012) and Greenland Minerals & Energy Limited.



## Composition of the Board

Subject to shareholder approval of resolutions 2 to 6, the composition of the board following this annual general meeting will be as follows:

- Mr Tony Ho (Non-executive Chairman);
- Mr Sophia Zhang (Executive Director);
- Mr Silvi ElKhoury (Non-executive Director);
- Mr Robert Lees (Non-executive Director) and
- Mr John Rawicki (Non-executive Director).

## RESOLUTION 7 - ADDITIONAL PLACEMENT CAPACITY

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### General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

The ASX allows small to mid-cap companies to seek shareholder approval for additional placement capacity. Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("Additional Placement Capacity").

The Company seeks Shareholder approval under Resolution 7 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

### Requirements of Listing Rule 7.1A

#### 1. Eligible entities

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.

#### 2. Shareholder approval

Shareholders must approve the Additional Placement Capacity by **special** resolution at the annual general meeting. As a **Special** Resolution it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

#### 3. Equity Securities

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has two classes of Equity Securities:

- fully paid ordinary Shares - (115,039,679 on issue and quoted on ASX); and

- Unquoted fully paid ordinary Shares (1,000,000 on issue and unquoted on ASX, subject to escrow until 16 October 2017).
- Unquoted Options (11,000,000 on issue - exercise price \$0.10 and expiry date 31 December 2014).

The Company has issued 31,000,000 fully paid ordinary shares and 11,000,000 options in the past 12 months.

#### 4. Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If Resolution 7 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(AxD)-E$$

|          |   |
|----------|---|
| <b>A</b> | The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none"> <li>• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;</li> <li>• plus the number of partly paid shares that became fully paid in the 12 months;</li> <li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;</li> <li>• less the number of fully paid shares cancelled in the 12 months.</li> </ul> |
| <b>D</b> | 10%   |
| <b>E</b> | The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.   |

#### 5. Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 115,039,679 Shares on issue as at the date of this Notice. If Resolution 7 is passed, the Company will be permitted to issue (as at the date of this Notice):

- 17,255,951 Equity Securities under Listing Rule 7.1; and
- 11,503,967 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 3 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

## Information for Shareholders as required by Listing Rule 7.3A

### 6. Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Business Days of the date above, the date on which the Equity Securities are issued.

### 7. Risk of economic and voting dilution

If Resolution 7 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below 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:

- 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 may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2                       |                     | Dilution                               |                        |   |
|---|---------------------|--|------------------------|---|
|   |                     | \$0.021<br>50% decrease in Issue Price | \$0.042<br>Issue Price | \$0.084<br>100% increase in Issue Price |
| Current Variable A<br>115,039,679 Shares                  | 10% Voting Dilution | 11,503,968 Shares                      | 11,503,968 Shares      | 11,503,968 Shares                       |
|   | Funds raised        | \$241,583                              | \$483,167              | \$966,333                               |
| 50% increase in current Variable A<br>172,559,519 Shares  | 10% Voting Dilution | 17,255,952 Shares                      | 17,255,952 Shares      | 17,255,952 Shares                       |
|   | Funds raised        | \$362,375                              | \$724,750              | \$1,449,500                             |
| 100% increase in current Variable A<br>230,079,358 Shares | 10% Voting Dilution | 23,007,936 Shares                      | 23,007,936 Shares      | 23,007,936 Shares                       |
|   | Funds raised        | \$483,167                              | \$966,333              | \$1,932,667                             |

This table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- (ii) No Options (including any quoted Options issued under the Additional Placement Capacity) 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 as 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 Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues 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 Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (v) The issue price is \$0.042, being the closing price of the Shares on ASX on 16 October 2015.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

## **8. Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 30 November 2015 (the date of this Meeting) and expires on the earlier of:

- 30 November 2016, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking,

or such longer period as allowed by ASX (the "Placement Period").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

## **9. Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of 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.

## **10. Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A (4) and 3.10.5A on the issue of any new securities.

## 11. Details of Equity Securities issued under earlier placement capacity approval

The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting held 30 November 2014.

Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

(a) The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 30 November 2014) is 31,000,000 Shares and 11,000,000 Options. The total number of Equity Securities on issue as at 30 November 2014 was 84,039,679 Shares, nil Options and \$755,000 in Series A and B convertible notes. The total number of Equity Securities issued in the 12 months since 30 November 2014 is 50% of the total number of Equity Securities on issue at 30 November 2014.

(b) Equity Securities issued by the Company since 30 November 2014 is as follows:

On 14 May 2015, 20,000,000 Shares were issued at \$0.02, raising \$400,000 before issue expenses. The funds raised were to supply the Company with working capital. The Shares allotted and issued rank equally in all respects with the existing Shares on issue. The Shares were issued to subscribers detailed in Resolution 8.

On 3 June 2015, 10,000,000 Shares and 10,000,000 options (exercisable at \$0.10 and expiring 31 August 2018) were issued on the conversion of \$100,000 Series A and \$100,000 of Series B Convertible Notes at a conversion price of 2 cents per share. No funds were raised by the issue. The Shares allotted and issued rank equally in all respects with the existing Shares on issue.

On 19 October 2015, 1,000,000 Shares and 1,000,000 options (exercisable at \$0.10 and expiring 31 August 2018) were issued at \$0.05 per notional value. The shares and options were issued under a Share Sale and Purchase agreement announced to the market on 21 August 2015. No funds were raised by the issue. The Shares allotted and issued rank equally in all respects with the existing Shares on issue. The Shares were issued to subscribers detailed in Resolution 9:

At 16 October 2015 current last sale price is \$0.041.

## 12. Voting exclusion

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## RESOLUTION 8 - RATIFICATION OF ISSUE OF SHARES

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### Background

On 14 May 2015, the Company issued 20,000,000 ordinary shares at \$0.02 to professional and sophisticated investors to raise \$400,000 in additional working capital.

### Regulatory Requirements - ASX Listing Rule 7.4

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

- (a) the issue did not breach Rule 7.1; and
- (b) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

**The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:**

- a) the number of securities issued was 20,000,000 Shares;
- b) the Shares were allotted and issued to:

| Allottees  | Shares     |
|--|------------|
| Australian Trade Access Pty Ltd                                      | 3,500,000  |
| Silktree Investments Pty Ltd <Peter Vassileff S/F A/C>               | 1,000,000  |
| Mr Ian Barry Murie & Mrs Tania Murie <IB & T Murie Superfund A/C>    | 1,000,000  |
| LAPJ Nominees Pty Ltd  | 2,000,000  |
| Mr Peter James Patrick   | 250,000    |
| R & D Adams Superannuation Fund Pty Ltd <R & D Adams Super Fund A/C> | 500,000    |
| Cooper Corporate & Investments Pty Ltd                               | 1,750,000  |
| SJL Management Pty Ltd atf <Zhang Family Trust>                      | 10,000,000 |
|  | 20,000,000 |

- c) the Shares were issued for \$0.02 value on 13 May 2015;
- d) \$400,000 before raising costs were received by ESM from the issue; and
- e) the Shares allotted and issued rank equally in all respects with the existing Shares on issue.

### **Directors' recommendation**

All Directors recommend that shareholders vote in favour of Resolution 8.

## **RESOLUTION 9 - RATIFICATION OF ISSUE OF SECURITIES**

### **Background**

On 19 October 2015, the Company issued 10,000,000 ordinary shares at \$0.05 with a free attaching option (with an exercise price of \$0.10, expiring 1 March 2017) to Ms Yanmei Pei in payment for the option to acquire 51% of eDutyFree Pty Ltd under the Share Sale and Purchase agreement.

### **Regulatory Requirements - ASX Listing Rule 7.4**

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

- (c) the issue did not breach Rule 7.1; and

(d) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

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**The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:**

- f) the number of securities issued was 1,000,000 Shares and 1,000,000 Options expiring 1 March 2017 and exercisable on payment of \$0.10;
- g) the Securities were allotted and issued to
- h) the Shares were issued for \$0.05 value on 19 October 2015;
- i) no funds were received by ESM from the issue; and
- j) the Securities allotted and issued rank equally in all respects with the existing Securities on issue.

**Directors' recommendation**

All Directors recommend that shareholders vote in favour of Resolution 9.



## Glossary

**Additional Placement Capacity** means the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

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

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

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

**Company** means Esperance Minerals Limited (ACN 009 815 605).

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

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of Annual general meeting including the Explanatory Statement and the Proxy Form.

**Placement Period** means the period during which Shareholders approval under Listing Rule 7.1A is valid

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2015.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

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ACN: 009 815 605

REGISTERED OFFICE: +  
 C/- COYSEC SERVICES  
 SUITE 605, LEVEL 6  
 50 CLARENCE STREET  
 SYDNEY NSW 2000  
**SHARE REGISTRY:**  
 Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
 PO BOX 535, APPLECROSS WA 6953  
 AUSTRALIA  
 770 Canning Highway, APPLECROSS WA 6153  
 AUSTRALIA  
 T: +61 8 9315 2333 F: +61 8 9315 2233  
 E: registrar@securitytransfer.com.au  
 W: www.securitytransfer.com.au

«EFT\_REFERENCE\_NUMBER»

«Holder\_name»  
 «Address\_line\_1»  
 «Address\_line\_2»  
 «Address\_line\_3»  
 «Address\_line\_4»  
 «Address\_line\_5»

Code:

Holder Number:

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

|                    |   |                                       |
|--------------------|---|---------------------------------------|
| <b>VOTE ONLINE</b> | Lodge your proxy vote securely at <a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>  | <input type="text" value="«ONLINE»"/> |
|                    | 1. Log into the Investor Centre using your holding details.<br>2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area. |                                       |

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 2:30pm on Monday 30 November 2015 at RSM Bird Cameron, Level 12, 60 Castlereagh Street, Sydney NSW 2000 and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

| RESOLUTION                                 | For                      | Against                  | Abstain*                 |   | For                      | Against                  | Abstain*                 |
|--|--------------------------|--------------------------|--------------------------|---|--------------------------|--------------------------|--------------------------|
| 1. Remuneration Report                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. Approval of additional placement under Listing Rule 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Election of a Director - Sophia Zhang   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. Ratification of shares issue under Listing Rule 7.1      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Election of a Director - John Rawicki   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. Ratification of shares issue under Listing Rule 7.1      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Election of a Director - Robert Lees    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |                          |                          |                          |
| 5. Election of a Director - Silvi Elkhouri | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |                          |                          |                          |
| 6. Election of a Director - Tony Ho        | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |   |                          |                          |                          |

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SECTION C: Signature of Security Holder(s)**

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

|   |   |   |
|---|---|---|
| Individual or Security Holder                           | Security Holder 2                                       | Security Holder 3                                       |
| <input style="width: 100%; height: 20px;" type="text"/> | <input style="width: 100%; height: 20px;" type="text"/> | <input style="width: 100%; height: 20px;" type="text"/> |
| Sole Director & Sole Company Secretary                  | Director  | Director/Company Secretary                              |

**Proxies must be received by Security Transfer Registrars Pty Ltd no later than 2.30pm AEST on Saturday 28 November 2015.**



My/Our contact details in case of enquiries are:

Name:

Number:

(  )

### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

### 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

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

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Registrars Pty Ltd

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 535  
Applecross WA 6953 AUSTRALIA

**Street Address** Alexandria House  
Suite 1, 770 Canning Highway  
Applecross WA 6153 AUSTRALIA

**Telephone** +61 8 9315 2333

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

