

**ANGLO AUSTRALIAN RESOURCES NL**  
**ACN 009 159 077**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

30 November 2015

**Time of Meeting**

9:00am

**Place of Meeting**

Anglo Australian Resources NL Office  
63 Hay Street  
SUBIACO WA 6008

*This Notice of Annual General Meeting should be read in its 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.*

*The **2015 Annual Report** may be viewed on the Company's website at [www.anglo.com.au](http://www.anglo.com.au)*

**ANGLO AUSTRALIAN RESOURCES NL**  
**ACN 009 159 077**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Anglo Australian Resources NL (**Company**) will be held at Anglo Australian Resources NL's registered office, 63 Hay Street Subiaco, Western Australia on 30 November 2015 at 9:00am for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**2015 FINANCIAL STATEMENTS**

To receive the financial statements of the Company for the year ended 30 June 2015, consisting of the annual financial report, the Directors' report and the auditor's report.

**1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2015 Annual Report be and is hereby adopted."*

**Voting Prohibition:** The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 by a member of the key management personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by a person as a proxy appointed in writing and the proxy specifies how that person is to vote on Resolution 1 and the vote is cast on behalf of that person.

**2. RESOLUTION 2 – RE-ELECTION OF JOHN JONES AS A DIRECTOR**

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

*"That, for all purposes, John Jones, who retires pursuant to Article 10.3 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**3. RESOLUTION 3 - RATIFICATION OF ISSUE OF SECURITIES 1**

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 5,500,000 Shares and 7,500,000 Options to persons who are not related parties of the Company, for the purposes and on the terms set out in the Explanatory Statement."*

**Voting Exclusion Statement:** For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless 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 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).

#### 4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SECURITIES 2

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 9,250,000 Shares to persons who are not related parties of the Company, for the purposes and on the terms set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless 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 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).

#### 5. RESOLUTION 5 - RATIFICATION OF ISSUE OF SECURITIES 3

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 5,500,000 Shares to persons who are not related parties of the Company, for the purposes and on the terms set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless 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 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).

#### 6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

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

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

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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 any Associates of those persons, unless it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**7. RESOLUTION 7 - ISSUE OF OPTIONS TO JOHN JONES IN LIEU OF OUTSTANDING AMOUNTS OWED**

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

*“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue a maximum of 23,200,000 Options, exercisable at \$0.015 each and expiring on 30 November 2020 to John Jones, or his nominees, on the terms and conditions set out in the Explanatory Statement”.*

**8. RESOLUTION 8 - ISSUE OF OPTIONS TO PETER STERN IN LIEU OF OUTSTANDING AMOUNTS OWED**

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

*“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue a maximum of 7,000,000 Options, exercisable at \$0.015 each and expiring on 30 November 2020 to Peter Stern, or his nominees, on the terms and conditions set out in the Explanatory Statement”.*

**9. RESOLUTION 9 - ISSUE OF OPTIONS TO GRAEME SMITH IN LIEU OF OUTSTANDING AMOUNTS OWED**

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

*“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given to issue a maximum of 7,000,000 Options, exercisable at \$0.015 each and expiring on 30 November 2020 to Graeme Smith or his nominees, on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolutions 7 – 9 by Messrs Jones, Stern and Smith and any of their Associates. However, subject to the voting prohibition below, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

**Voting Prohibition:** The Company will, in accordance with the Corporations Act, disregard any votes cast on these Resolutions by a member of the Key Management Personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by such a person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on these Resolutions as described above; or
- (b) the person is the Chair voting an undirected proxy, which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

## 10. RESOLUTION 10 - PLACEMENT AUTHORITY – SHARES

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

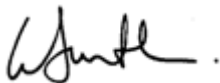
*“That, for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Company to issue and allot at the Directors’ discretion up to a maximum of 20,000,000 fully paid ordinary Shares on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who might participate in the issue and any of their Associates 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 unless 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 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).

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 9:00am (WST) 28 November 2015:

- by post to:
  - 63 Hay Street Subiaco WA 6008
- by facsimile on:
  - +61 8 9322 1744



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Graeme Smith  
Company Secretary  
Date: 30 October 2015

**1. PROXIES**

- (a) A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- (b) A proxy may, but need not be, a Shareholder of the Company.
- (c) The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.
- (d) The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

**2. ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 4:00pm WST time on 28 November 2015 will be entitled to attend and vote at the AGM.

**3. CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Anglo Australian Resources NL ACN 009 159 077 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Company's office, 63 Hay Street Subiaco WA 6008, on 30 November 2015 commencing at 9:00am

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

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

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Mr John Jones as a Director in accordance with the Company's constitution;
- ratifying the issue of Securities under Listing Rule 7.4;
- approving the Company's 10% Placement Facility; and
- approval of the issue of Options to Messrs Jones, Stern & Smith in lieu of amounts outstanding;

## FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2015 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

### 1. RESOLUTION 1 – REMUNERATION REPORT

#### 1.1 Introduction

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

- (a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;
- (b) a description of the relationship between the Company's remuneration policy and the Company's performance;
- (c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and
- (d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's website [www.anglo.com.au](http://www.anglo.com.au).

#### 1.2 Voting on the Remuneration Report

In accordance with Section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

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

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

- (c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Remuneration Report Resolution; and

- (d) the vote is not cast on behalf of the person described in paragraph (a) or (b) above.

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

## **2. RESOLUTION 2 – RE-ELECTION OF JOHN JONES AS A DIRECTOR**

### **2.1 Introduction**

Mr John Jones was appointed as a Non-Executive Director on 9 February 1990.

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### **2.2 Director's Biography**

Mr John Jones is a well known and respected mining identity who has been associated with a number of successful mining corporations in his 43 years of business. He is currently Chairman of Altan Nevada Minerals Limited (TSX), Altan Rio Minerals Limited (RSX), Anglo Australian Resources NL, is a Director of Troy Resources Limited and has previously been Chairman of North Kalgurli Mines, Jones Mining and Troy Resources Limited. Mr Jones has a strong prospecting instinct, clear strategic vision and a desire for exploration, mining and corporate success.

### **2.3 Directors' Recommendation**

All the Directors, with the exception of Mr Jones who is abstaining from the vote, recommend that Shareholders vote in favour of Resolution 2.

## **3. RESOLUTION 3 – RATIFY PREVIOUS ISSUE OF SECURITIES 1**

### **3.1 General**

On 22 June 2015 the Company issued 5,500,000 Shares and 7,500,000 Options exercisable at \$0.02 cents per share and expiring 30 November 2019, all at an issue price of \$0.01 per Share, under its 15% placement capacity under Listing Rule 7.1.

It now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of those Shares and Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Shares under its 15% capacity under Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 3 to ratify a previous issue of Shares in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares, the subject of Resolution 3 did not breach ASX Listing Rule 7.1.

### **3.2 Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 5,500,000 Shares were allotted and issued by the Company;
- (b) 7,500,000 Options were allotted and issued by the Company;
- (c) the issue price per Share was \$0.01 per Share;
- (d) the Options were issued for no consideration
- (e) the exercise price of the Options is \$0.02 per Option, being 200% of the market value as at the date of issuing the Options;



- (f) the Options expire on 30 November 2019 and the full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum;
- (g) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (h) the Shares issued upon exercise of the Options will be fully paid ordinary Shares and rank equally with other fully paid ordinary Shares;
- (i) the Shares were issued to sophisticated investors, who were not a related party of the Company;
- (j) 2,500,000 Options were issued to each of Mr John Chellew, Mr David Otterman and Ms Vikki West as consideration for administrative services provided to the Company;
- (k) \$55,000 was raised from the issue of the Shares. The funds raised have been applied to exploration expenditure and working capital expenses;
- (l) no funds were raised from the issue of the Options. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and
- (m) a voting exclusion statement is included in the Notice.

### **3.3 Directors' Recommendation**

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

## **4. RESOLUTION 4 – RATIFY PREVIOUS ISSUE OF SECURITIES 2**

### **4.1 General**

On 27 October 2015 the Company issued 9,250,000 Shares at an issue price of \$0.01 per Share, under its 15% placement capacity under Listing Rule 7.1

It now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Shares under its 15% capacity under Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 4 to ratify a previous issue of Shares in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares, the subject of Resolution 3 did not breach ASX Listing Rule 7.1.

### **4.2 Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 9,250,000 Shares were allotted and issued by the Company;
- (b) the issue price per Share was \$0.01 per Share;
- (c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (d) the Shares were issued to sophisticated investors, who were not a related party of the Company;
- (e) \$92,500 was raised from the issue of the Shares. The funds raised have been, and will be applied to exploration expenditure and working capital expenses; and
- (f) a voting exclusion statement is included in the Notice.

### **4.3 Directors' Recommendation**

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

## 5. RESOLUTION 5 – RATIFY PREVIOUS ISSUE OF SECURITIES 3

### 5.1 General

On 30 October 2015 the Company issued 1,000,000 Shares on, at an issue price of \$0.01 per Share, under its 15% placement capacity under Listing Rule 7.1 and 4,500,000 Shares, at an issue price of \$0.01 per Share, under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Shares and Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further Shares under its 15% capacity under Listing Rule 7.1 and its 10% capacity under Listing Rule 7.1A without requiring shareholder approval.

The Company proposes Resolution 5 to ratify a previous issue of Shares in accordance with ASX Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares, the subject of Resolution 3 did not breach ASX Listing Rule 7.1 or Listing Rule 7.1A.

### 5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 5,500,000 Shares were allotted and issued by the Company;
- (b) the issue price per Share was \$0.01 per Share;
- (c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;
- (d) the Shares were issued to sophisticated investors, who were not a related party of the Company;
- (e) \$55,000 was raised from the issue of the Shares. The funds raised will be applied to exploration expenditure and working capital expenses; and
- (f) a voting exclusion statement is included in the Notice.

### 5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

## 6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

### 6.1 General

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

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

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

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

### 6.2 Description of Listing Rule 7.1A

- (a) Shareholder approval

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

- (b) Equity Securities
- (i) Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.
  - (ii) The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being listed Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

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

<b>(A x D) – E</b>
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**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid Shares cancelled in the 12 months.

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

**D** is 10%;

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

- (i) The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.
- (ii) At the date of this Notice, the Company has on issue 175,325,087 Shares. If Resolutions 3 – 5 are passed, the Company will have a capacity to issue:
  - A. 26,298,763 Equity Securities under Listing Rule 7.1; and
  - B. 17,352,509 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 3.2(c) above).

(e) Minimum Issue Price

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

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

(f) 10% Placement Period

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

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or

- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

### **6.3 Listing Rule 7.1A**

- (a) The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.
- (b) Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **6.4 Specific information required by Listing Rule 7.3A**

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

- (c) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

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 shows:

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

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0045 50% decrease in Issue Price	\$0.009 Issue Price	\$0.018 100% increase in Issue Price
<b>Current Variable A</b> <b>175,325,087 Shares</b>	<b>10% voting dilution</b>	17,532,508	17,532,508	17,532,508
	<b>Funds raised</b>	\$78,896	\$157,793	\$315,585
<b>50% increase in current Variable A</b> <b>262,987,631 Shares</b>	<b>10% voting dilution</b>	26,298,763	26,298,763	26,298,763
	<b>Funds raised</b>	\$118,344	\$236,689	\$473,378
<b>100% increase in current Variable A</b> <b>350,650,174 Shares</b>	<b>10% voting dilution</b>	35,065,017	35,065,017	35,065,017
	<b>Funds raised</b>	\$157,793	\$315,585	\$631,170

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted 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 10% Placement Facility, based on that Shareholder's holding at the date of this 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 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.009, being the closing price of Shares on the ASX on 27 October 2015.
  - (viii) Ratification of the shares, the subject of Resolution 3, is assumed to have occurred.
- (d) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration expenditure and/or general working capital; or
  - (ii) non-cash consideration for the acquisition of new resources, assets, investments and the provision of services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

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

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

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

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

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2014 Annual General Meeting on 26 November 2014.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 108,499,999 representing 103% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this Notice of Meeting:

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Allottee
1 Dec 2014	13,333,333	ORD	\$0.015	Nil	No funds were raised as Shares were issued in lieu of \$200,000 in loans owing.	J Jones
1 Dec 2014	666,666	ORD	\$0.015	Nil	No funds were raised as Shares were issued in lieu of \$10,000 in loans owing.	Wembley Corporate Services Pty Ltd
1 Dec 2014	16,200,000	Option <sup>1</sup>	\$0.0082	Nil	No funds were raised as Options were issued pursuant to shareholder approval at the 2014 AGM.	Porter Street Investments Pty Ltd
1 Dec 2014	6,100,000	Option <sup>1</sup>	\$0.0082	Nil	No funds were raised as Options were issued pursuant to shareholder approval at the 2014 AGM.	Peter Stern
1 Dec 2014	2,500,000	Option <sup>1</sup>	\$0.0082	Nil	No funds were raised as Options were issued pursuant to shareholder approval at the 2014 AGM.	Graeme Smith

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Allottee
17 Dec 2014	3,000,000	ORD	\$0.01	Nil	No funds were raised as Shares were issued in lieu of services provided	Mining Investments Pty Ltd
17 Dec 2014	1,200,000	ORD	\$0.01	Nil	No funds were raised as Shares were issued in lieu of services provided	Amberley Minerals Pty Ltd
16 Feb 2015	21,500,000	ORD	\$0.01	Nil	\$215,000	Sophisticated investors
22 Jun 2015	25,500,000	ORD	\$0.01	Nil	\$255,000	Sophisticated investors
22 Jun 2015	7,500,000	Option <sup>1</sup>	\$0.0073	Nil	No funds were raised as Options were issued in lieu of services provided	V West – 2.5 million; J Chellew – 2.5 million; D Otterman – 2.5 million
23 Oct 2015	9,250,000	ORD	\$0.01	Nil	\$92,500	Sophisticated investors
30 Oct 2015	5,500,000	ORD	\$0.01	Nil	\$55,000	Sophisticated investors

<sup>1</sup> Unlisted options exercisable at \$0.02 each on or before 30 Nov 2019

The Directors intend to use the working capital of \$147,500 existing at the date of this Notice towards exploration & general working capital.

\$617,500 was raised during the year from the issue of shares, and \$42,000 of mining tenement and geological work was undertaken in exchange for shares. \$380,000 of money raised was spent on exploration expenditure and ~\$90,000 of office administrative expenses and general working capital were paid for.

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

## 6.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

## 7. RESOLUTION 7 – 9 - APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS – JOHN JONES, PETER STERN AND GRAEME SMITH

### 7.1 General

Executive Chairman Mr John Jones has elected to receive his current and outstanding directors' fees of \$100,000 in the form of Options, to conserve the cash position of the Company.

Non-Executive Director Mr Peter Stern has elected to receive his current and outstanding directors' fees of \$30,000 in the form of Options, to conserve the cash position of the Company.

Non-Executive Director Mr Graeme Smith has elected to receive his current and outstanding directors' fees of \$30,000 in the form of Options, to conserve the cash position of the Company.

The payment of the directors' fees are for directors' fees owing from January 2015 to December 2015.

Under Section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company (such as a director of the company), the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act. Section 210 of the Corporations Act provides that shareholder approval for the purposes of Section 208 of the Corporations Act is not needed to give a financial benefit on the terms that would be unreasonable in the circumstances if the public company and the related party were dealing at arms' length.

It is the view of the Directors that the issue of Options to Directors under Resolutions 5 to 7 fall under the arms' length exception in Section 210 of the Corporations Act as the exercise price of the Options is 400% of the market price of the shares as of 26 October 2015 and their value, as determined under a Black & Scholes valuation, is equivalent to the amounts outstanding. Accordingly Shareholder approval is only being sought under Listing Rule 10.11 and approval is not required under Listing Rule 7.1.

### 7.2 Listing Rule Notice Requirements

Listing Rule 10.13 contains certain requirements as to the contents of a Notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Statement for that purpose:

- (a) the Options will be issued as follows:

Director	Maximum number of Options to be issued under Resolutions 5-7	Exercise Price of Options	Directors fees owing
John Jones	23,200,000	\$0.02	\$100,000
Peter Stern	7,000,000	\$0.02	\$30,000
Graeme Smith	7,000,000	\$0.02	\$30,000

- (b) the Options will be allotted as soon as practicable following the close of this Meeting and in any event no later than 1 month of the date of this Meeting;
- (c) the exercise price of the Options is \$0.02 per Option, being 400% of the current share price;
- (d) the Shares issued upon exercise of the Options will be fully paid ordinary Shares and rank equally with other fully paid ordinary Shares;
- (e) the Options expire on 30 November 2020 and the full terms and conditions of the Options is included in Annexure B to this Explanatory Memorandum;
- (f) a voting exclusion statement is included in this Notice;



- (g) the actual number of Options to be issued will be determined with reference to the current share price at the date of issue (per Black & Scholes Option Valuation) but will not exceed the total allocation in the table above; and
- (h) no funds will be raised from the issue of Options to Directors pursuant to Resolutions 7 to 9. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements.

## **8. RESOLUTION 10 – PLACEMENT AUTHORITY - SHARES**

### **8.1 Background**

Resolution 10 seeks the approval of Shareholders to enable the Directors, at any time during the three months after the General Meeting, to issue up to 20,000,000 Shares in the Company for the purpose of raising additional funds for the Company.

The purpose of the issue will be to fund the Company's ongoing exploration and evaluation programmes, fund the evaluation and acquisition of new opportunities, fund the corporate and administrative activities of the Company, working capital and to meet the costs of the issue.

The Shares to be issued will rank equally in all respects with the Company's existing issued Shares. The Shares to be issued will have a diluting effect on the issued capital of the Company.

### **8.2 Listing Rule Requirements**

The effect of Resolution 10 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 20,000,000 Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur progressively throughout the 3 month period;
- (c) the issue price of the Shares will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the subscribers for these Shares are not yet known, however they will only be issued to investors who qualify under Section 708 of the Corporations Act. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards the Company's ongoing exploration and evaluation programmes, fund the evaluation and acquisition of new opportunities, fund the corporate and administrative activities of the Company, working capital and to meet the costs of the issue in the proportions outlined below:

<b>Proposed Area of Application</b>	<b>Proposed Allocation (%)</b>
Ongoing exploration & evaluation programmes	35%
Evaluation and acquisition of new opportunities	30%
Corporate and administrative activities	15%
Working capital	15%
Costs of the Issue	5%
<b>Total</b>	<b>100%</b>

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Proxy Form to vote the Shares represented thereby in accordance with their best judgement on such matter.

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>AGM</b>	means an Annual General Meeting
<b>Annual Report</b>	means the Directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2015.
<b>Associate</b>	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	has the same meaning as defined in Section 9 of the Corporations Act.
<b>Company</b>	means Anglo Australian Resources NL ACN 009 159 077
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Proxy Form</b>	means the Proxy Form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company outlined in the Annual Report.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.

The Company Secretary  
 Anglo Australian Resources NL  
 63 Hay Street  
 SUBIACO WA 6008

Name of Shareholder (s) \_\_\_\_\_  
 Address of Shareholder (s) \_\_\_\_\_

**STEP 1**

**Appoint Proxy to Vote on Your Behalf**

I / We being a member / s of Anglo Australian Resources NL hereby appoint

**the Chairman of the Meeting** OR

**PLEASE NOTE:** leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own names (s)

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy 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 Anglo Australian Resources NL to be held at the Company's office, 63 Hay Street, Subiaco Western Australia on 30 November 2015 at 9:00 am (WST) and at any adjournment of that meeting.

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

**STEP 2**

**Items of Business**

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Allotment and Issue of Securities 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Allotment and Issue of Securities 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Allotment and Issue of Securities 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares to John Jones in lieu of amounts outstanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Shares to Peter Stern in lieu of amounts outstanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Shares to Graeme Smith in lieu of amounts outstanding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Placement Authority - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This Proxy is appointed to represent \_\_\_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_\_ % and Proxy 2 represents \_\_\_\_\_ % of my total votes. My total voting right is \_\_\_\_\_ Shares.

**SIGN**

**Signature of Security holder – Please sign here**

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director / Company Secretary

Joint Shareholder 3

Director

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The Proxy Form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the Proxy Form.
5. To be effective, forms to appoint proxies **must be received by the Company by 9:00am WST, 28 November 2015** by post, facsimile or email to the respective addresses stipulated in this Proxy Form.
6. The Chairman will cast all available proxies in favour of the Resolutions.
7. If the Proxy Form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
8. If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in any way that the proxy sees fit.

**ANNEXURE A**  
**ANGLO AUSTRALIAN RESOURCES NL**  
**Terms and Conditions of 2 Cent Unlisted Options**

- a) Each Option entitles the holder to one ordinary fully paid share.
- b) The Options shall vest on issue (the Vesting Date)
- c) The Options shall expire at 5:00pm WST on 30 November 2019 (the Expiry Date).
- d) The Options shall be exercisable at any time from the Vesting Date up to and including the Expiry Date by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- e) The Options are not transferable, other than to a related party, and application will not be made to the ASX for Official Quotation of the Options.
- f) The exercise price of the Options is \$0.02 per Option
- g) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- h) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
- i. a written notice of exercise of Options specifying the number of Options being exercised; and
  - ii. a cheque or electronic funds transfer for the exercise price for the number of Options being exercised,
- i) All ordinary fully paid shares issued upon exercise of Options will rank *pari passu* in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.
- j) There are no participating rights and entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed 7 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.
- k) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
- l) Adjustment for bonus issues of Shares  
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
- i. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
  - ii. no change will be made to the exercise price.
- m) Adjustment for rights issue  
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of a Option will be reduced according to the following formula:
- New exercise price =  $O - \frac{E [P - (S + D)]}{N + 1}$
- O = the old Exercise Price of the Option.  
E = the number of underlying Shares into which one Option is exercisable.  
P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.  
S = the subscription price of a Share under the pro rata issue.  
D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).  
N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

**Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.

**ANNEXURE B**  
**ANGLO AUSTRALIAN RESOURCES NL**  
**Terms and Conditions of 2 Cent Unlisted Options**

- n) Each Option entitles the holder to one ordinary fully paid share.
- o) The Options shall vest on issue (the Vesting Date)
- p) The Options shall expire at 5:00pm WST on 30 November 2020 (the Expiry Date).
- q) The Options shall be exercisable at any time from the Vesting Date up to and including the Expiry Date by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- r) The Options are not transferable, other than to a related party, and application will not be made to the ASX for Official Quotation of the Options.
- s) The exercise price of the Options is \$0.02 per Option
- t) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- u) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
- iii. a written notice of exercise of Options specifying the number of Options being exercised; and
  - iv. a cheque or electronic funds transfer for the exercise price for the number of Options being exercised,
- v) All ordinary fully paid shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.
- w) There are no participating rights and entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed 7 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.
- x) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
- y) Adjustment for bonus issues of Shares  
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
- iii. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
  - iv. no change will be made to the exercise price.
- z) Adjustment for rights issue  
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of a Option will be reduced according to the following formula:
- New exercise price =  $O - \frac{E[P-(S+D)]}{N+1}$
- O = the old Exercise Price of the Option.  
E = the number of underlying Shares into which one Option is exercisable.  
P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.  
S = the subscription price of a Share under the pro rata issue.  
D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).  
N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

**Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.