

A1 CONSOLIDATED GOLD LIMITED
ACN 149 308 921

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

25 November 2016

Time of Meeting

2:30pm (WST)

Place of Meeting

The Celtic Club
48 Ord Street
West Perth WA 6005

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 **2016 Annual Report** may be viewed on the Company's website at www.a1consolidated.com.au

A1 CONSOLIDATED GOLD LIMITED
ACN 149 308 921
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of A1 Consolidated Gold Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 25 November 2016 at 2:30pm (WST) (**Meeting**) for the purpose of transacting the following business in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

Financial Statements and Reports

To receive and consider the Financial Report, together with the Directors' Report and Auditor's Report for the financial year ended 30 June 2016.

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 purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2016 Annual Report be adopted."

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

Voting Prohibition: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either 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 (**the voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

RESOLUTION 2 – RE-ELECTION OF MR JAMES CULLEN AS A DIRECTOR

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

"That, for the purposes of clause 6.3 of the Constitution and for all other purposes, Mr James Cullen retires by rotation as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 12,416,686 Shares to clients of Patersons, for the purposes and on the terms set out in the Explanatory Statement."

Voting Exclusion: 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:

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

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 7,816,285 Shares to Orion Gold NL, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by Orion Gold NL and any of its Associates, unless it is cast:

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

RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 56,850,030 Shares to PYBAR, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by PYBAR Mining Services Pty Ltd and any of its Associates, unless it is cast:

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

RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES AND LISTED OPTIONS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 14,583,334 Shares and 4,861,112 Listed Options to sophisticated investor clients of Patersons, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion: 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:

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

RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued share 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 Statement.”

Voting Exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any of their Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form);
or
- (b) by a 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 – APPROVAL OF CHANGE OF NAME

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

“That, for the purposes of section 157 of the Corporations Act and for all other purposes, the name of the Company be changed from ‘A1 Consolidated Gold Ltd’ to ‘Centennial Mining Limited’ and the Constitution be amended to reflect the change of name by deleting ‘A1 Consolidated Gold Ltd’ wherever it appears and inserting ‘Centennial Mining Limited’ in its place.”

RESOLUTION 9 – APPROVAL OF GRANT OF OPTIONS TO MR DALE ROGERS

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

“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to issue up to 64,000,000 Options (exercise price 143% of the VWAP of Shares for the five days up to and including the date of the Company’s 2016 AGM, expiring four years minus one day from the date of issue) to Mr Dale Rogers, or his nominees, for nil consideration, on the terms and conditions as set out in the Explanatory Statement.”

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Mr Dale Rogers and any of his Associates, unless it is cast:

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

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

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

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

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

By Order of the Board



Dennis Wilkins
Company Secretary

Date: 17 October 2016

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

EXPLANATORY STATEMENT

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (**proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a member may appoint a body corporate or an individual as its proxy; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 2:30pm (WST) on 23 November 2016 by:

1. post to Security Transfer Australia Pty Ltd, PO Box A2020, South Sydney, NSW 1235; or
2. facsimile to Security Transfer Australia Pty Ltd at (08) 9315 2233 (International: +61 8 9315 2233); or
3. email at registrar@securitytransfer.com.au; or
4. online at www.securitytransfer.com.au.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of Shareholders as 2:30pm (WST) on 23 November 2016. Accordingly, transactions registered after that time will be disregarded in determining Shareholder' entitlements to attend and vote at the AGM.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the AGM should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the AGM or handed in at the AGM when registering as a corporate representative.

ELECTRONIC COMMUNICATION

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at

which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2016 AGM.

The purpose of this Explanatory Statement is to provide Shareholders with all the information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice.

The Explanatory Statement should be read in conjunction with the accompanying Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Financial statements and reports

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

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

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

- (a) discuss the Annual Report, which is available online from the Company's website www.a1consolidated.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

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

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

may be submitted no later than 5 business days before the Meeting to the Company Secretary (phone +61 8 9389 2111 or email dw@dwcorporate.com).

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report, which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's website www.a1consolidatedgold.com.au.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board, except the managing director, if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2015 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2017 AGM, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

1.2 Voting on the Remuneration Report

In accordance with the Corporations Act, a vote on this 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, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

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

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

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

1.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement and the Remuneration Report, all of the Directors consider that Resolution 1 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – RE-ELECTION OF MR JAMES CULLEN AS A DIRECTOR

2.1 General

Mr James Cullen was appointed as a non-executive Director on 1 May 2015. The Board considers Mr Cullen to be an independent director.

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 Directors (other than the managing director) retire from office at each AGM.

These requirements for a Director to retire do not apply to a managing director.

Accordingly, Mr James Cullen will retire by rotation at this Meeting and, being eligible, offers himself for re-election. 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 and experience

Mr James Cullen is Managing Director of Pacific Energy Ltd, a specialist provider of mine site power listed on the ASX. Prior to joining Pacific Energy Ltd in 2015, Mr Cullen spent approximately 20 years as Managing Director of two listed companies, each commencing in microcap space and growing significantly in market capitalisation before being taken over (PCH Group Ltd from \$1m to \$260m and Resource Equipment Ltd from less than \$5m to \$115m). He has extensive commercial and practical experience in growing businesses domestically and internationally, both organically and through acquisitions.

Mr Cullen is a qualified chartered accountant, has considerable financial and corporate governance experience and has served as a director of several listed companies. Mr Cullen is the chairperson of the Company's audit committee.

2.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 2 is in the best interests of the Company, as Mr Cullen has a wealth of experience and expertise which is valuable to the Company. All the Directors, except Mr Cullen, recommend that Shareholders vote in favour of Resolution 2.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 2. The Chair intends to vote all undirected proxies in favour of the Resolution.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

3.1 General

The Company completed a Share Purchase Plan on Friday 8 January 2016. The Share Purchase Plan provided eligible Shareholders the opportunity to purchase up to \$15,000 worth of Shares in the Company with no associated brokerage at an issue price of \$0.024 per share (capped at \$1,000,000) and was conditionally and partially underwritten by Patersons to the value of \$650,000.

The Company received applications from eligible Shareholders to subscribe for 14,666,648 shares, totalling \$352,000. Holder statements were issued on 12 January 2016. Together with the underwritten shortfall of 12,416,686 Shares placed by the underwriter and issued on 18 January 2016 (**Shortfall Shares**), the Share Purchase Plan raised a total of \$650,000. The Shortfall Shares were issued pursuant to the Company's Listing Rule 7.1 placement capacity and the Company now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of the Shortfall Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore a company's discretionary power to issue further shares pursuant to Listing Rule 7.1 without requiring shareholder approval.

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

3.2 Information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5.

- (a) 12,416,686 Shortfall Shares were allotted and issued by the Company.
- (b) The issue price per Shortfall Share was \$0.024.
- (c) The Shortfall Shares allotted were fully paid ordinary shares which rank equally with all other Shares on issue.
- (d) The Shortfall Shares were allotted to investor clients of Patersons who are not related parties of the Company and the offer of the Shortfall Shares did not require disclosure under Chapter 6D of the Corporations Act.
- (e) \$298,000 was raised by the issue of the Shortfall Shares the subject of Resolution 3. The funds were used to continue development of the decline towards 1400 Level Access Drive at the A1 Gold Mine.
- (f) A voting exclusion statement is included in the Notice.

3.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 3 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 3. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 3 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 3. The Chair intends to vote all undirected proxies in favour of the Resolution.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

4.1 General

On 1 February 2016, the Company completed the acquisition of the Walhalla tenement from Orion Gold NL (refer to ASX announcement dated 30 December 2015). The consideration to acquire mining licence MIN 5487 from Orion Gold NL totalled \$850,000.

Mining licence MIN 5487 is located in the Woods Point – Walhalla Goldfield, 150 kilometres east of Melbourne, and overlies both the Eureka and Tubal Cain gold deposits.

Staged payment terms for the purchase included a \$50,000 cash payment, \$300,000 paid through the issue of Shares at \$0.03838 each on completion of the sale and a 2% net smelter royalty on the sale of gold recovered from the tenement to a value of \$500,000 (with any unpaid amount becoming payable after 36 months).

On completion of the acquisition of the Walhalla tenement on 1 February 2016, 7,816,285 Shares were issued pursuant to the Company's Listing Rule 7.1 placement capacity and the Company now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of these Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore a company's discretionary power to issue further shares pursuant to Listing Rule 7.1 without requiring shareholder approval.

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

4.2 Information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5.

- (a) 7,816,285 Shares were allotted and issued by the Company.
- (b) The issue price was a deemed price of \$0.03838 per Share.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other Shares on issue.
- (d) The Shares were allotted to Orion Gold NL.
- (e) The Shares were issued as part consideration for the acquisition of MIN 5487 and so no funds were raised from the issue of the Shares.
- (f) A voting exclusion statement is included in the Notice.

4.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 4 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 4. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 4 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 4. The Chair intends to vote all undirected proxies in favour of the Resolution.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES

5.1 General

On 31 March 2016, the Company settled the total value of mining services provided to the Company by PYBAR to the end of February 2016 by the issue of Shares. The Company issued 41,666,667 Shares at \$0.024 per Share as consideration for services rendered to the value of \$1,000,000, in accordance with the mining services agreement executed between the Company and PYBAR in December 2015. In addition to this, the parties agreed that the Company would issue a further 15,183,363 Shares at \$0.026 per share for the balance owing to PYBAR of approximately \$394,767.

41,666,667 Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1 and 15,183,363 Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1A (which was approved by Shareholders at the annual general meeting held on 11 November 2015). The Company now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of these Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the threshold set by Listing Rule 7.1 or Listing Rule 7.1A, as appropriate. The purpose and effect of such a ratification is to restore a company's discretionary power to issue further shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A without requiring shareholder approval.

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

5.2 Information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5.

- (a) 56,850,030 Shares were allotted and issued by the Company.
- (b) 41,666,667 Shares were issued at a deemed price of \$0.024 per Share and 15,183,363 Shares were issued at a deemed price of \$0.026 per Share.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other Shares on issue.
- (d) The Shares were allotted to PYBAR.
- (e) The Shares were issued to satisfy money owed to PYBAR for the provision of mining services to the Company up to the end of February 2016, so no funds were raised from the issue of the Shares.
- (f) A voting exclusion statement is included in the Notice.

5.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 5 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 5. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 5 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 5. The Chair intends to vote all undirected proxies in favour of the Resolution.

6. RESOLUTION 6 – RATIFICATION OF ISSUE OF SHARES AND LISTED OPTIONS

6.1 General

The Company completed an Entitlements Offer on 7 September 2016. The Entitlements Offer was underwritten by Patersons, with the Company receiving applications from eligible Shareholders to subscribe for 97,064,700 Shares to the value of approximately \$2,329,552, leaving an underwritten shortfall of 41,107,613 Shares to the value of approximately \$986,582 to be placed by the underwriter. As a consequence of the significant demand from Shareholders and sub-underwriters for the shortfall, the Company elected to satisfy most of the additional demand by making an additional Placement to the value of \$350,000. The Placement was settled on 7 September 2016, with the Company issuing 14,583,334 Shares at an issue price of \$0.024 per Share and 4,861,112 free attaching Listed Options to sophisticated investor clients of Patersons who are not related parties of the Company.

The Placement was made under the Company's Listing Rule 7.1 placement capacity and the Company now seeks, pursuant to Resolution 6 of the Notice, to ratify the allotment and issue of the Shares and Listed Options issued on 7 September 2016.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore a company's discretionary power to issue further shares pursuant to Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 6 to ratify a previous issue of securities in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the securities the subject of Resolution 6 did not breach Listing Rule 7.1.

6.2 Information required by Listing Rule 7.5

The following information is provided in accordance with Listing Rule 7.5.

- (a) 14,583,334 Shares and 4,861,112 Listed Options were allotted and issued by the Company.
- (b) The issue price per Share was \$0.024. The Listed Options were issued for nil consideration.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other Shares on issue. The Listed Options allotted were Listed Options which rank equally with existing Listed Options on issue.

- (d) The Shares and Listed Options were allotted as a private Placement to sophisticated investor clients of Patersons who are not related parties of the Company.
- (e) \$350,000 was raised by the issue of the Shares and Listed Options the subject of Resolution 6. The funds are intended to be used for general working capital to drive production and undertake drilling with a view to extending mine life at the A1 Gold Mine.
- (f) A voting exclusion statement is included in the Notice.

6.3 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 6 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 6. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 6 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 6. The Chair intends to vote all undirected proxies in favour of the Resolution.

7. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

7.1 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 7.2(c) below).

7.2 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

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

The Company, as at the date of the Notice, has on issue five classes of Equity Securities, being listed Shares, Listed Options, one class of unlisted convertible notes and two classes of 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:

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

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 shareholder approval 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.

D is 10%.

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

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

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

At the date of this Notice, the Company has on issue 705,444,899 Shares and, assuming Resolutions 3 through 6 are passed, has a capacity to issue:

(i) 105,816,735 Equity Securities under Listing Rule 7.1; and

(ii) 70,544,489 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 7.2(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 (on which trades in that class were recorded) immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(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).

7.3 Listing Rule 7.1A

The effect of Resolution 7 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.

7.4 Specific information required by Listing Rule 7.3A

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

(a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days (on which trades in that class were recorded) immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 7 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.

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		
		\$0.015 50% decrease in Issue Price	\$0.03 Issue Price	\$0.06 100% increase in Issue Price
Current Variable A 705,444,899 Shares	10% voting dilution	70,544,489 Shares		
	Funds raised	\$1,058,167	\$2,116,335	\$4,232,669
50% increase in current Variable A 1,058,167,349 Shares	10% voting dilution	105,816,734 Shares		
	Funds raised	\$1,587,251	\$3,174,502	\$6,349,004
100% increase in current Variable A 1,410,889,798 Shares	10% voting dilution	141,088,979 Shares		
	Funds raised	\$2,116,335	\$4,232,669	\$8,465,339

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) Resolutions 3 through 6 are passed by Shareholders.
- (iv) 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%.
- (v) 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.
- (vi) 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.
- (vii) 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.
- (viii) The issue price is \$0.03, being the closing price of Shares on the ASX on 14 October 2016.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) cash consideration. In which case, the Company may use the funds raised towards driving production and extending mine life of the A1 Gold Mine, developing the Union Hill mine (Maldon Gold Operation) and towards its working capital requirements; or
 - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investment or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A3.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) 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 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).
- (g) 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 a related party or an Associate 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.

- (h) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its AGM held on 11 November 2015.

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 347,895,896, representing 46.35% 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 on date of issue	Total Consideration	Basis of allotment
23/11/2015	12,083,336	Fully paid ordinary shares	\$0.024	14%	\$290,000	Placement
23/11/2015	4,027,775	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Free attaching option for placement
04/12/2015	24,000,000	Unlisted options, exercisable at \$0.04438 expiring 30 November 2019	Nil	N/A	\$0	Issue of options to directors as approved at the AGM 11 November 2015
11/01/2016	14,666,648	Fully paid ordinary shares	\$0.024	29%	\$352,000	Share Purchase Plan
18/01/2016	12,416,686	Fully paid ordinary shares	\$0.024	4% premium	\$298,000	Shares issued pursuant to the shortfall under the Share Purchase Plan
18/01/2016	9,027,778	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Part consideration for underwriting of Share Purchase Plan. Value of Listed Options issued at \$0.015, being the closing Listed Option price on 14 October 2016, is approx. \$135,417

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
18/01/2016	2,500,002	Fully paid ordinary shares	\$0.024	4% premium	\$60,000	Placement to directors as approved at a GM 6 January 2016
18/01/2016	833,334	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Free attaching option for placement to directors as approved at a GM 6 January 2016
01/02/2016	7,816,285	Fully paid ordinary shares	\$0.03838	83% premium	\$0	As consideration for the acquisition of MIN 5487 from Orion Gold NL. Value of Shares issued at \$0.03, being the closing Share price on 14 October 2016, is approx. \$234,489
31/03/2016	41,666,667	Fully paid ordinary shares	\$0.024	20%	\$0	As consideration for mining services to the value of \$1,000,000. Value of Shares issued at \$0.03, being the closing Share price on 14 October 2016, is approx. \$1,250,000
31/03/2016	15,183,363	Fully paid ordinary shares	\$0.026	13%	\$0	As consideration for mining services to the value of \$394,767. Value of Shares issued at \$0.03, being the closing Share price on 14 October 2016, is approx. \$455,501
07/09/2016	97,064,700	Fully paid ordinary shares	\$0.024	4%	\$2,329,553	Under Entitlements Offer completed on 7 September 2016
07/09/2016	32,354,900	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Free attaching option under Entitlements Offer completed on 7 September 2016
07/09/2016	41,107,613	Fully paid ordinary shares	\$0.024	4%	\$986,583	Shortfall arising from Entitlements Offer completed on 7 September 2016
07/09/2016	13,702,363	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Free attaching option for shortfall arising from Entitlements Offer completed on 7 September 2016
07/09/2016	14,583,334	Fully paid ordinary shares	\$0.024	4%	\$350,000	Placement to sophisticated investors
07/09/2016	4,861,112	Listed options, exercisable at \$0.02938 expiring 30 November 2019	Nil	100%	\$0	Free attaching option for placement to sophisticated investors
TOTAL	347,895,896				\$4,666,136	

- (i) The Company has spent \$2,764,900 of the funds it has raised in the 12 months preceding the date of this Notice on advancing the decline to the 1400 level ore zone, increasing the certainty of a portion of the Company's resources (see ASX announcement dated 8 July 2016), completing the acquisition of the Walhalla tenement (MIN 5487), undertaking a share purchase plan and an entitlements offer, and corporate expenses. The intended use of the remaining funds is to drive production and extend mine life at the A1 Gold Mine.
- (j) A voting exclusion statement is included in the Notice.
- (k) 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.

7.5 Directors' recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 7 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 7. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 7 will increase the Directors' ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 7. The Chair intends to vote all undirected proxies in favour of the Resolution.

Resolution 7 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).

8. RESOLUTION 8 – APPROVAL OF CHANGE OF NAME

8.1 Background

It is proposed that the Company change its name from “A1 Consolidated Gold Ltd” to “Centennial Mining Limited”. This change will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

The Directors recommend the change to the Company name. Having finally achieved the promise of production, the present Directors and management are keen to move forward with a new name to reflect the new beginning for the Company.

The name chosen is not specific to one location or to one particular commodity. The name of the Company’s operating mine will remain as the “A1 Gold Mine”, however, the aspiration of the Directors and management is greater than one location and one commodity. The name chosen reflects that aspiration for the future of the Company.

Section 157 of the Corporations Act requires Shareholder approval of a change of company name by special resolution and section 136(2) of the Corporations Act requires Shareholder approval to modify the Constitution to reflect the change of company name by special resolution.

8.2 Directors’ recommendation

The Directors believe that the name “Centennial Mining Limited” will better reflect the Company’s identity and business objectives. For this reason, the Directors unanimously recommend that Shareholders vote in favour of Resolution 8 to approve the change of name.

Each Director has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 8. The Chair intends to vote all undirected proxies in favour of the Resolution.

Resolution 8 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).

9. RESOLUTION 9 – APPROVAL OF GRANT OF OPTIONS TO MR DALE ROGERS

9.1 General

The Company proposes to grant a total of 64,000,000 Options to Mr Dale Rogers, or his nominees, for nil consideration as follows:

Name	Number of Options	Exercise Price	Expiry Date	Vesting
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the completion of the capital raising as announced on 27 July 2016, payment of outstanding creditors/accruals as outlined in the Company’s prospectus dated 9 August 2016 and supplementary prospectus dated 16 August 2016, and on completion of the First Gold Pour
Dale Rogers	7,500,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the production of 30,000 ounces of gold within the First Period at average C3 Costs of less than \$1,100 per ounce
Dale Rogers	7,500,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the production of 37,500 ounces of gold within the Second Period at average C3 Costs of less than \$1,100 per ounce (Second Period Ounces)

Name	Number of Options	Exercise Price	Expiry Date	Vesting
Dale Rogers	Up to 2,500,000	143% of the VWAP of Shares on the five days up to and including the date the 2016 AGM	Four years minus one day from the date of issue	On the production of ounces of gold in excess of 37,500 ounces within the Second Period, with 500,000 options vesting for every 2,000 ounces of gold produced in excess of 37,500 ounces within the Second Period
Dale Rogers	1,500,000	143% of the VWAP of Shares on the five days up to and including the date the 2016 AGM	Four years minus one day from the date of issue	On achievement of the Second Period Ounces with average C3 Costs being less than \$1,000 per ounce
Dale Rogers	7,500,000	143% of the VWAP of Shares on the five days up to and including the date the 2016 AGM	Four years minus one day from the date of issue	On repayment or conversion of the Convertible Notes or the balance of the DSR Account being equal to the value of the Convertible Notes
Dale Rogers	7,500,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company achieving a market capitalisation of equal to or greater than \$50,000,000 continuously for a period of 3 months (calculation of market capitalisation to exclude Share issues subsequent to the date of issue arising from capital raisings, conversion of Convertible Notes, Option exercises and acquisitions).
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company announcing a two year Ore Reserve in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) at the A1 Gold Mine
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company achieving a market capitalisation of equal to or greater than \$100,000,000 continuously for a period of 30 days
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company achieving a market capitalisation of equal to or greater than \$150,000,000 continuously for a period of 30 days
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company achieving a market capitalisation of equal to or greater than \$200,000,000 continuously for a period of 30 days
Dale Rogers	5,000,000	143% of the VWAP of Shares on the five days up to and including the date of the 2016 AGM	Four years minus one day from the date of issue	On the Company achieving a market capitalisation of equal to or greater than \$250,000,000 continuously for a period of 30 days
TOTAL	64,000,000			

The full terms of the Options are set out in Annexure A to this Explanatory Statement.

Executive directors of public companies face considerable ongoing responsibilities and challenges in their roles within the Company. The grant of these Options will provide a mid to long term incentive for outstanding performance and promote opportunities for Share ownership in the Company. The Directors, other than Mr Rogers, consider that the incentive represented by the grant of these Options is a cost effective and efficient means for the Company to provide reward and incentive.

Following the requisite Shareholder approvals, the Options will be granted as soon as possible following the Meeting and in any event no later than 1 month from the date of the Meeting. The Options will only vest on the achievement of the vesting conditions as set out in the table above.

The exercise price will only be known after the market closes on the date of the 2016 AGM. Assuming the exercise price was calculated on the basis of the five days prior to the date of this Notice, the exercise price would be \$0.0428. On that basis, in the event all the Options are exercised, Mr Rogers or his nominees will need to pay a total of \$2,739,200 to the Company.

Resolution 9 is required to be approved in accordance with section 208 of the Corporations Act and Listing Rule 10.11 to issue securities to a Director, being a related party of the Company. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

9.2 Chapter 2E of the Corporations Act – related party transactions

The issue of Options to a Director constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

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

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Mr Rogers is a related party of the Company by virtue of section 228(2) of the Corporations Act and the granting of Options would constitute the giving of a financial benefit. The grant of the Options to Mr Rogers has been agreed by the Company and Mr Rogers as part of his remuneration package to act as Executive Chair and the Board, other than Mr Rogers, consider that it is a reasonable component of his remuneration. The financial benefit represented by the grant of the Options arguably falls within the 'reasonable remuneration' exception contained in section 211 of the Corporations Act and therefore may not require approval by Shareholders for the purposes of Chapter 2E of the Corporations Act. Nevertheless, the Board has determined that, in the interests of good governance, it would seek Shareholder approval for these purposes.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Options to Mr Rogers under Resolution 9.

Identity of the related party

The related party of the Company to which a financial benefit may be given under Resolution 9 is Mr Dale Rogers, a Director of the Company.

Nature of, reasons for and basis for the financial benefit

The financial benefits to be provided to a Director under Resolution 9 are Options. A copy of the terms and conditions of the Options is annexed as Annexure A. Mr Rogers will not be required to make any payment for the grant of the Options. The maximum number of Options that could vest, and hence be exercised by Mr Rogers under Resolution 9, are set out in Table 1.

The Options form part of Mr Rogers' incentive for his appointment as Executive Chair and for his continuing and future efforts. The Company has agreed the vesting conditions to carefully align with the Company's objectives as disclosed to the market, to ensure that the reward represented by the Options are only attainable in the event that the Company's objectives are achieved. The Directors believe that the issue of the Options proposed in Resolution 9 is appropriate and reasonable in the circumstances because:

- (a) the Company needs to attract a high calibre individual for the role with the necessary experience and qualifications;
- (b) the payment of monetary fees alone is not an adequate incentive to enable the Company to attract and keep a high calibre individual;
- (c) the issue of the Options (including the amount and value) forms part of a reasonable remuneration package; and

- (d) the issue of the Options, and the subsequent potential for the acquisition of Shares, is the most cost effective and efficient means to align the interests of the Company and its Executive Chair, providing him with reward and incentive.

The number of Options to be offered to Dale Rogers has been agreed based upon a consideration of:

- (a) his remuneration; and
- (b) the incentives required to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Having regard to the above factors, the respective numbers of Options were chosen by the Board as an appropriate number to attract, retain and remunerate for Mr Rogers' skills and experience.

Directors' recommendations to members and reasons

All Directors, except Mr Rogers, recommend that Shareholders vote in favour of Resolution 9 as they believe, based on the information available, including the information contained in this Explanatory Statement, the granting of these Options to Mr Rogers will align his rewards with the long-term creation of value for Shareholders. Mr Rogers has a material personal interest in the outcome of Resolutions 9 and declines to make a recommendation in relation to Resolution 9.

Directors' interests in the outcome of the Resolution

If Resolution 9 is passed, Mr Rogers will become entitled to the Options as set out in Table 1 together with the rights and entitlements associated with being a holder of such Options.

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant the number of Options specified in Table 1 to Mr Rogers as specified in Table 1.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Statement and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 3. The valuation cannot be finalised until the date of the AGM.
- (d) The total value of the Options to be issued is outlined in Table 1. If Options granted to Mr Rogers are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.
- (e) As at the date of this Notice, the issued capital of the Company comprised 705,444,899 Shares. If all Options granted as proposed above are exercised, assuming all existing Options on issue have been exercised, assuming all existing convertible notes on issue have been converted and assuming no other Share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the following table:

	Existing Securities
Shares, Options and convertible notes	1,089,431,115
Resolution 9 – Options to be granted	64,000,000
New Total	1,153,431,115
Dilutionary Effect	5.87%

- (f) Mr Rogers' current interests in securities of the Company are detailed in Table 2.
- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since 21 June 2012. In the twelve months prior to the date of this Notice, the Shares have traded in the range of \$0.0196 to \$0.042. The most recent closing price prior to the date of this Notice was \$0.03. The Options are capable of being converted to Shares by payment of the exercise price.

- (i) Mr Rogers currently receives a salary of \$270,000 per annum, exclusive of superannuation.
- (j) Under the Australian equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Statement, the Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Mr Rogers or his nominees pursuant to Resolution 9.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

9.3 Information required by Listing Rule 10.13

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 granted to Mr Rogers (or his nominees), as noted in Table 1.
- (b) The maximum number of Options to be granted pursuant to Resolution 9 is 64,000,000.
- (c) The Options will be allotted and granted on a date which will be no later than 1 month after the date of the Meeting.
- (d) The exercise price and other terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.
- (e) The Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options.
- (f) A voting exclusion statement is included in this Notice.

Table 1 - Details of Options to be issued to related party

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Dale Rogers	Executive Chair	64,000,000	143% of the VWAP of Shares on the five days up to and including the date the 2016 AGM	Four years minus one day from the date of issue	Refer to Section 9.1	\$1,190,400

Table 2 - Details of current holdings of securities in the Company

Director	Shares	Options	Convertible notes
Dale Rogers	980,392	500,000	Nil

Table 3 - Option valuation details

Details	Input
Share price	\$0.03
Exercise Price	\$0.0428*
Risk Free Rate (RBA Cash Rate)	1.75%
Volatility (Annualised)	97.27%
Start Date	25 November 2016
Expiry Date	24 November 2020
Value per Option	\$0.0186

* Based on 143% of the VWAP of Shares on the five days up to the date of this Notice, being \$0.03.

9.4 Directors' recommendation

All Directors, except Mr Rogers, recommend that Shareholders vote in favour of Resolution 9 as they believe, based on the information available, including the information contained in this Explanatory Statement, the granting of these Options to Mr Rogers will align his rewards with the long-term creation of value for Shareholders. Mr Rogers has a material personal interest in the outcome of Resolutions 9 and declines to make a recommendation in relation to Resolution 9.

Each Director, other than Mr Rogers, has indicated that he intends to vote the Shares he owns or controls in favour of Resolution 9. The Chair intends to vote all undirected proxies in favour of the Resolution.

GLOSSARY

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

10% Placement Facility has the meaning given in Section 7.1;

10% Placement Period has the meaning given in Section 7.2(f);

A1 Gold Mine means A1 Gold's flagship gold mine near Woods Point, Victoria;

AGM means an annual general meeting;

Annual Report means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2016;

ASIC means the Australian Securities and Investments Commission;

Associate has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act;

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Auditor's Report means the auditor's report on the Financial Report;

Board means the board of Directors;

C3 Costs means the total costs for the operation, excluding capital works, resource definition drilling and corporate costs;

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

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- 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;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

Company means A1 Consolidated Gold Limited (ACN 149 308 921);

Convertible Note means a convertible note issued pursuant to the Convertible Note Agreement;

Convertible Note Agreements means the convertible note agreements between the Company and the Noteholders dated variously between 12 May 2015 and 23 June 2015;

Convertible Security means a security of the Company which is convertible into Shares;

Constitution means the Company's constitution, as amended from time to time;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company;

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company;

DSR Account means the debt service reserve (sink) bank account established by the Company in accordance with the Convertible Note Agreements;

Entitlements Offer means the renounceable pro rata offer as set out in the Company's prospectus dated 9 August 2016 and supplementary prospectus dated 16 August 2016;

Equity Securities has the same meaning as in the Listing Rules;

Explanatory Statement means the explanatory statement accompanying this Notice;

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company;

First Gold Pour means the first gold pour from ore mined from the 14 level bulk stope of the A1 Gold Mine, likely to occur on or around 20 October 2016.

First Period means the period ending on the date that is 20 months from the date of the First Gold Pour;

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

Listed Options means the Company's existing listed Options (AYCO) with an exercise price of \$0.02938, expiring on 30 November 2019;

Listing Rules means the Listing Rules of the ASX;

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means this Notice of annual general meeting;

Noteholders means each of the following persons:

- (a) Squadron Resources Pty Ltd; and
- (b) sophisticated and professional investor clients of Patersons;

Option means an option to acquire a Share;

Patersons means Patersons Securities Limited (ABN 69 008 896 311) (AFSL No. 239 052);

Placement means the share placement as announced by the Company on 7 September 2016 at an issue price of \$0.024 per Share, with a free attaching Listed Option on the basis of one Listed Option for every three Shares issued;

PYBAR means PYBAR Mining Services Pty Ltd (ACN 060 589 433);

Proxy Form means the proxy form attached to this Notice;

Remuneration Report means the remuneration report of the Company contained in the Directors' Report;

Resolution means a resolution contained in this Notice;

Second Period means the period commencing at the end of the First Period and ending on the date that is 20 months from the end of the First Period;

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

Shareholder means the holder of a Share;

Share Purchase Plan means the share purchase plan as announced by the Company on 20 November 2015 to allow eligible shareholders to purchase up to \$15,000 worth of Shares (subject to scale-back if oversubscribed) with a record date of 19 November 2015;

Shortfall Shares means the underwritten shortfall of 12,416,686 Shares for which valid applications were not received under the Share Purchase Plan;

Spill Resolution has the meaning set out in Section 1.1 of the Explanatory Statement;

Strike has the meaning set out in Section 1.1 of the Explanatory Statement;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules;

VWAP means volume weighted average price; and

WST means Australian Western Standard Time.

ANNEXURE A TERMS AND CONDITIONS OF EXECUTIVE CHAIR OPTIONS

1. Entitlement

- (a) Mr Dale Rogers (**Eligible Person**) has been offered options in the Company on the terms and conditions set out below.
- (b) **First Performance Goal** means the completion of the capital raising as announced on 27 July 2016, payment of outstanding creditors/accruals as outlined in the Company's prospectus dated 9 August 2016 and supplementary prospectus dated 16 August 2016, and on completion of the First Gold Pour.
- Second Performance Goal** means the production of 30,000 ounces of gold within the First Period at average C3 Costs of less than \$1,100 per ounce.
- Third Performance Goal** means the production of 37,500 ounces of gold within the Second Period at average C3 Costs of less than \$1,100 per ounce.
- Fourth Performance Goal** means the production of ounces of gold in excess of the Third Performance Goal within the Second Period, with 500,000 options vesting for every 2,000 ounces of gold produced in excess of 37,500 ounces within the Second Period.
- Fifth Performance Goal** means the achievement of the Third Performance Goal with average C3 Costs being less than \$1,000 per ounce.
- Sixth Performance Goal** means repayment or conversion of the Convertible Notes or the balance of the DSR Account being equal to the value of the Convertible Notes.
- Seventh Performance Goal** means the Company achieving a market capitalisation of equal to or greater than \$50,000,000 continuously for a period of 3 months (calculation of market capitalisation to exclude share issues subsequent to the date of issue arising from capital raisings, conversion of Convertible Notes, option exercises and acquisitions).
- Eighth Performance Goal** means the Company announcing a two year Ore Reserve in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) at the A1 Gold Mine.
- Ninth Performance Goal** means the Company achieving a market capitalisation of equal to or greater than \$100,000,000 continuously for a period of 30 days.
- Tenth Performance Goal** means the Company achieving a market capitalisation of equal to or greater than \$150,000,000 continuously for a period of 30 days.
- Eleventh Performance Goal** means the Company achieving a market capitalisation of equal to or greater than \$200,000,000 continuously for a period of 30 days.
- Twelfth Performance Goal** means the Company achieving a market capitalisation of equal to or greater than \$250,000,000 continuously for a period of 30 days.
- First Gold Pour** means the first gold pour from ore mined from the 14 level bulk stope of the A1 Gold Mine, likely to occur on or around 20 October 2016.
- First Period** means the period ending on the date that is 20 months from the date of the First Gold Pour.
- C3 Costs** means the total costs for the operation, excluding capital works, resource definition drilling and corporate costs.
- Second Period** means the period commencing at the end of the First Period and ending on the date that is 20 months from the end of the First Period.
- Convertible Note** means a convertible note issued pursuant to the Convertible Note Agreements.
- Convertible Note Agreements** means the convertible note agreements between the Company and the Noteholders dated variously between 12 May 2015 and 23 June 2015.
- Noteholders** means each of the following persons:
- (i) Squadron Resources Pty Ltd; and
 - (ii) sophisticated and professional investor clients of Patersons Securities Limited (ACN 008 896 311).
- DSR Account** means the debt service reserve (sink) bank account established by the Company in accordance with the Convertible Note Agreements.
- (c) Subject to option terms 1(e), 6, 7 and 8, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of A1 Consolidated Gold Limited (**Company**), credited as fully paid, at the Exercise Price.
- (d) The exercise price of each option is equal to 143% of the volume weighted average price of the Company's shares on the 5 days up to and including the date of the Company's 2016 AGM (**Exercise Price**).
- (e) Options vest on satisfaction of performance conditions, the satisfaction of which shall be determined by the Board at its sole discretion, as follows:
- (i) 5,000,000 upon achievement of the First Performance Goal;
 - (ii) 7,500,000 upon achievement of the Second Performance Goal;
 - (iii) 7,500,000 upon achievement of the Third Performance Goal;
 - (iv) up to 2,500,000 upon achievement of the Fourth Performance Goal;
 - (v) 1,500,000 upon achievement of the Fifth Performance Goal.
 - (vi) 7,500,000 upon achievement of the Sixth Performance Goal.

- (vii) 7,500,000 upon achievement of the Seventh Performance Goal.
 - (viii) 5,000,000 upon achievement of the Eighth Performance Goal.
 - (ix) 5,000,000 upon achievement of the Ninth Performance Goal;
 - (x) 5,000,000 upon achievement of the Tenth Performance Goal;
 - (xi) 5,000,000 upon achievement of the Eleventh Performance Goal;
 - (xii) 5,000,000 upon achievement of the Twelfth Performance Goal.
- (f) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the option in accordance with the listing rules of ASX (**Listing Rules**) (if the Company is listed at the time of exercise of the Option) and register the option holder or its nominee as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
- (g) Shares issued on the exercise of options will rank *pari passu* with all existing ordinary shares in the capital of the Company from the date of issue.

2. Exercise of Options

- (a) Subject to option term 1(e), an option is exercisable by the registered option holder lodging the notice of exercise of option together with, subject to option terms 6, 7 and 8, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The options may be exercised in whole or in part and, if exercised in part, multiples of 50,000 must be exercised on each occasion. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Each option will lapse on the earliest to occur of 5.00pm WST on the date that is Four years minus one day from the date of issue (**Expiry Date**) and 5.00pm WST on the date that is 6 months after the Eligible Person ceases to be a director of the Company.

3. Transfer

The options are transferable.

4. Quotation

The Company will apply to the ASX for official quotation of the shares issued on any exercise of an option within 10 business days after the allotment of those shares.

5. Dividends

Shares issued on any exercise of an option will rank *pari passu* with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

6. Bonus issue

If the Company makes a bonus issue of shares or other securities *pro rata* to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

7. Rights issue

If the Company makes an offer of ordinary shares *pro rata* to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

8. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

9. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the Listing Rules.

10. Right to participate in future issues

The option holder may only participate in new issues of securities to holders of shares to the extent the option has been exercised, if that is permitted by its terms, and the shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

11. Income Tax Assessment Act

The options are granted under an arrangement to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies.

12. Vesting of rights

All options will vest on either a change of control event occurring, as defined in the Corporation Act, or when the Company is the subject of a formal takeover offer.

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A1 CONSOLIDATED GOLD LIMITED

ACN: 149 308 921

REGISTERED OFFICE:

C/- HERRIES DAVIDSON & CO.
32 CLIFFORD STREET
GOULBURN
NSW, AUSTRALIA, 2580

SHARE REGISTRY:

Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Exchange Tower, Level 9, Suite 913
530 Little Collins Street
MELBOURNE VIC 3000 AUSTRALIA
T: +61 8 9628 2200 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»

«Company_code» «Sequence_number»

Code:

AYC

Holder Number:

«HOLDER_NUM

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.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

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 WST on Friday, 25 November 2016 at The Celtic Club, 48 Ord Street, West Perth WA 6005 and at any adjournment of that meeting.

Where I/we have appointed the Chairperson as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on resolutions 1 & 9 (except where I/we have indicated different voting intention below) even though resolutions 1 & 9 are connected directly or indirectly with the remuneration of key management personnel, which includes the Chairperson.

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. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr James Cullen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Approval of Change of Name	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval of Grant of Options to Dale Rogers	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
5. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
6. Ratification of Issue of Shares and Listed Options	<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

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 2:30pm WST on Wednesday 23 November 2016.

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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)

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 Australia 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 Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Exchange Tower, Level 9, Suite 913 530 Little Collins Street MELBOURNE VIC 3000 AUSTRALIA
Telephone	+61 8 9628 2200
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia 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 Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

