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RIFT VALLEY RESOURCES LIMITED  
ACN 121 985 395

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**NOTICE OF GENERAL MEETING**

The general meeting of the Company will be held at  
Ground Floor, 10 Outram Street, West Perth, Western Australia on  
17 September 2018 at 10:00am (WST).

*This Notice of 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.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9221 0090***

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.**

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## NOTICE OF GENERAL MEETING

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Notice is hereby given that a general meeting of Shareholders of Rift Valley Resources Limited (**Company**) will be held on Monday, 17 September 2018 at 10:00am (WST) (**Meeting**).

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

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

The general meeting of Shareholders of the Company will be held at:

Ground Floor, 10 Outram Street  
West Perth, Western Australia  
Commencing at 10:00am (WST) on Monday, 17 September  
2018

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### VOTING ENTITLEMENTS

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 15 September 2018 at 5:00pm (WST).

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### HOW TO VOTE

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

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### VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:00am (WST).

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**PROXIES**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a '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 thereon. Returning the 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; 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (WST) on Saturday, 15 September 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

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**CORPORATE REPRESENTATIVES**

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

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**POWERS OF ATTORNEY**

A person appearing as an attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate power of attorney for admission to the Meeting.

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## AGENDA

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### 1. RESOLUTION 1 - RATIFICATION OF THE TRANCHE 1 PLACEMENT UNDER LISTING RULE 7.1

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 56,660,459 Shares under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

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### 2. RESOLUTION 2 - RATIFICATION OF THE TRANCHE 1 PLACEMENT UNDER LISTING RULE 7.1A

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 69,889,350 Shares under Listing Rule 7.1A on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

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**3. RESOLUTION 3 - APPROVAL OF THE TRANCHE 2 PLACEMENT**

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

*"That, subject to Resolution 7 being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 240,116,858 Shares on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities), or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

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**4. RESOLUTION 4 - AUTHORITY FOR MR PAUL ATHERLEY TO PARTICIPATE IN THE TRANCHE 2 PLACEMENT**

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

*"That, subject to Resolution 3 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Mr Paul Atherley (and/or his nominees) to participate in the Tranche 2 Placement to the extent of up to 10,000,000 Tranche 2 Placement Shares on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Paul Atherley or any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 5. RESOLUTION 5 - AUTHORITY FOR MR NEIL MACLACHLAN TO PARTICIPATE IN THE TRANCHE 2 PLACEMENT

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

*"That, subject to Resolution 3 being passed, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Mr Neil MacLachlan (and/or his nominees) to participate in the Tranche 2 Placement to the extent of up to 16,666,667 Tranche 2 Placement Shares on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Neil MacLachlan or any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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**6. RESOLUTION 6 - APPROVAL OF EMPLOYEE INCENTIVE PLAN**

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

*"That pursuant to and in accordance with Listing Rule 7.2, exception 9 and for all other purposes, Shareholders approve the terms of the Employee Incentive Plan, and authorise the grant of Performance Rights and Options, and the issue of Shares pursuant to the Employee Incentive Plan."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of his or her associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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**7. RESOLUTION 7 - ISSUE OF PERFORMANCE RIGHTS TO MR PAUL ATHERLEY**

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

*"That pursuant to and in accordance with Chapters 2D and 2E of the Corporations Act, Listing Rules 10.11 and 10.19 and for all other purposes, Shareholders approve the issue of up to 115,741,113 Performance Rights to Mr Paul Atherley (or his nominee), on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a Mr Paul Atherley; or
- (b) an officer of the Company or any of its Child Entities who is entitled to participate in a Termination Benefit,

or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairperson in relation to this Resolution will not be Mr Paul Atherley.

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**8. RESOLUTION 8 - ISSUE OF PERFORMANCE RIGHTS TO MR DAVID HAMMOND**

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

*"That pursuant to and in accordance with Chapters 2D and 2E of the Corporations Act, Listing Rules 10.11 and 10.19 and for all other purposes, Shareholders approve the issue of up to 30,000,000 Performance Rights to Mr David Hammond (or his nominee), on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:



- (a) Mr David Hammond (and/ or his nominee); or
- (b) an officer of the Company or any of its Child Entities who is entitled to participate in a Termination Benefit,

or any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairman and the appointment does not specify how the Chairman is to vote but expressly authorises the Chairman to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 9 – ISSUE OF ADVISOR OPTIONS

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,000,000 unquoted options exercisable at \$0.04 per share and 5,000,000 unquoted options exercisable at \$0.06 per share to Ashanti Capital Pty Ltd (or its nominee), and expiring on the date that is 12 months following the date of issue on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ashanti Capital Pty Ltd or any associate of Ashanti Capital Pty Ltd.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chairman 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.

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## 10. RESOLUTION 10 - CHANGE OF COMPANY NAME

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

*"That, pursuant to and in accordance with section 157(1) of the Corporations Act and for all other purposes, Shareholders adopt Pensana Metals Limited as the new name of the Company on the terms and conditions in the Explanatory Memorandum."*

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## 11. RESOLUTION 11 - ADOPTION OF THE PROPOSED CONSTITUTION

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

*"That, pursuant to and in accordance with sections 136 and 648G of the Corporations Act and for all other purposes, the Company adopt the Proposed Constitution tabled at the Meeting with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum."*

Dated: 24 July 2018

By order of the Board



**Scott Mison**  
Company Secretary

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## EXPLANATORY MEMORANDUM

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### 1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Ground Floor, 10 Outram Street, West Perth, Western Australia on Monday, 17 September 2018 at 10:00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

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### 2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a '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 thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (a) a proxy need not be a member of the Company; and
- (b) 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10:00am (WST) on Saturday, 15 September 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

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### 3. VOTING PROHIBITION BY PROXY HOLDERS (REMUNERATION OF KEY MANAGEMENT PERSONNEL)

A vote on Resolutions 4 to 8 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairperson in relation to Resolutions 4 to 5 and 7 to 8 (inclusive) will not be the Director who has an interest in the outcome of the relevant Resolution.

#### 4. BACKGROUND TO RESOLUTIONS 1 TO 5 (INCLUSIVE)

##### 4.1 Background

On 2 July 2018, the Company announced a placement of up to 366,666,667 Shares at an issue price of \$0.015 per Share to raise approximately \$5,500,000 (before associated costs) (**Placement**).

The Placement is being undertaken in two tranches as follows:

- (a) 126,549,808 Shares (**Tranche 1 Placement Shares**) were issued by the Company on 6 July 2018, pursuant to the Company's Listing Rule 7.1 (56,660,459 Shares) and Listing Rule 7.1A (69,889,349 Shares) placement capacities, raising approximately \$1,898,247 (before costs) (**Tranche 1 Placement**). Resolutions 1 and 2 seeks shareholder approval for the ratification of the Tranche 1 Placement Shares issued pursuant to the Tranche 1 Placement under Listing Rules 7.1 and 7.1A respectively; and
- (b) subject to Shareholder approval pursuant to Resolution 3 (and Resolution 7), the Company proposes to issue up to 240,116,859 Shares (**Tranche 2 Placement Shares**) to raise approximately \$3,601,753 (before costs) (**Tranche 2 Placement**).

The funds raised from the Placement will be used as follows:

Indicative Use of funds	A(\$)
Exploration drilling and associated surveys and testworks at the Project	3.25m
Personnel and support costs for the Longonjo programs	0.85m
Working capital	1.4m
Costs of the Placement	(0.3)m
<b>TOTAL</b>	<b>5.2m</b>
Notes: This table is a statement of the Board's current intention as at the date of this Notice.	

Indicative Use of funds	A(\$)
In the event that Shareholders do not approve Resolutions 3 and 7, the Company will apply the funds raise pursuant to the Tranche 1 Placement in accordance with the above table, on a pro rata basis.	
Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.	

## 4.2 Directors' participation

The Company's Director's, Messrs Paul Atherley and Neil MacLachlan wish to participate in the Tranche 2 Placement. Resolutions 4 to 5 seek shareholder approval for their participation in the Tranche 2 Placement as follows:

Director	Tranche 2 Placement Shares
Mr Paul Atherley	10,000,000
Mr Neil MacLachlan	16,666,667

Further information on each of these Resolutions is set out below.

## 5. RESOLUTIONS 1 AND 2 - RATIFICATION OF TRANCHE 1 PLACEMENT

### 5.1 Background

Refer to Section 4.1 for details of the Tranche 1 Placement.

### 5.2 Listing Rule 7.1 and 7.1A

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of equity securities, in an existing class of quoted equity securities, which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1A.2.

The Company obtained the requisite shareholder approval under Listing Rule 7.1A at its 2017 annual general meeting.

### 5.3 Listing Rule 7.4

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and/or 7.1A (and provided that the previous issue did not breach those Listing Rules)

those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1. The Company confirms that the issue of the Tranche 1 Placement Shares under the Tranche 1 Placement did not breach Listing Rules 7.1 or 7.1A.

Resolutions 1 and 2 seek Shareholder approval for the ratification of the issue of the Tranche 1 Placement Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolutions 1 and 2 will be to restore the Company's ability to issue securities within:

- (a) the 15% placement capacity under Listing Rule 7.1 during the next 12 months; and
- (b) the additional 10% placement capacity under Listing Rule 7.1A during the balance of the 12 months from the date of the Company's 2017 annual general meeting,

without obtaining prior Shareholder approval.

Resolutions 1 and 2 are ordinary resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 1 and 2.

#### **5.4 Specific information required by Listing Rule 7.5**

In accordance with Listing Rule 7.5, information is provided in relation to the Tranche 1 Placement as follows:

- (a) 126,549,808 Shares were issued by the Company under the Tranche 1 Placement on 6 July 2018, as follows:
  - (i) 56,660,549 Shares were issued pursuant to Listing Rule 7.1; and
  - (ii) 69,889,349 Shares were issued pursuant to Listing Rule 7.1A.
- (b) The Tranche 1 Placement Shares were issued at an issue price of \$0.015 per share to raise approximately \$1.898m in total (before costs).
- (c) The Tranche 1 Placement Shares are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.
- (d) The Tranche 1 Placement Shares were issued to professional and sophisticated investors none of whom are related parties or associates of related parties of the Company.
- (e) The funds raised from the issue of the Tranche 1 Placement Shares will be used for the purposes set out in Section 4.1.
- (f) Voting exclusion statements are included in the Notice for Resolutions 1 and 2.

## 5.5 Board Recommendation

The Directors recommend that Shareholders vote in favour of these Resolutions.

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## 6. RESOLUTION 3 - ISSUE OF THE TRANCHE 2 PLACEMENT SHARES

### 6.1 Background

Refer to Section 4.1 for details of the Tranche 2 Placement.

### 6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.2.

The effect of Resolution 3 will be to allow the Directors to issue the Tranche 2 Placement Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

Resolution 3 is an ordinary resolution.

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

### 6.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Placement as follows:

- (a) The maximum number of Tranche 2 Placement Shares to be issued is 240,116,859.
- (b) The Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the Tranche 2 Placement Shares will be \$0.015 per share, being the same issue price as the Tranche 1 Placement Shares.
- (d) The Tranche 2 Placement Shares will be issued to professional and sophisticated investors none of whom are related parties or associates of related parties of the Company.
- (e) The Placement Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The funds raised from the issue of the Tranche 2 Placement Shares will be used for the purposes set out in Section 4.1.
- (g) It is expected that the Tranche 2 Placement Shares will be issued on one date as soon as reasonable practical following the Meeting.

- (h) A voting exclusion statement is included in the Notice for Resolution 3.

#### 6.4 Board Recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

### 7. RESOLUTIONS 4 AND 5 - AUTHORITY FOR DIRECTORS PARTICIPATION IN THE TRANCHE 2 PLACEMENT

#### 7.1 Background

The Company's Director's, Messrs Paul Atherley and Neil MacLachlan wish to participate in the Tranche 2 Placement.

Resolutions 4 and 5 seek shareholder approval for their participation in the Tranche 2 Placement as follows:

Director	Tranche 2 Placement Shares	Value of Tranche 2 Placement Shares
Mr Paul Atherley	10,000,000	\$150,000
Mr Neil MacLachlan	16,666,667	\$250,000

(together, the **Director Placement Shares**).

Refer to Section 4.1 for details of the Tranche 2 Placement.

Resolutions 4 and 5 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Director Placement Shares to Messrs Paul Atherley and Neil MacLachlan (and/or their nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (although approval for 100% of the Tranche 2 Placement Shares is being sought under Listing Rule 7.1 under Resolution 3). Shareholder approval of the issue of the Director Placement Shares means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1 or 7.1A.

Resolutions 4 and 5 are ordinary resolutions and are subject to Resolution 3 being passed.

The Chairman intends to vote undirected proxies in favour of Resolutions 4 and 5 (inclusive).

#### 7.2 Section 208 of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director Placement Shares will be issued to Messrs Paul Atherley and Neil MacLachlan (and/or their nominees) on the same terms as non-related party participants in the Tranche 2 Placement and



as such the giving of the financial benefit to Messrs Paul Atherley and Neil MacLachlan (and/or their nominees) will be on arm's length terms.

### 7.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Each of Messrs Paul Atherley and Neil MacLachlan is a related party of the Company by virtue of being a Director. Therefore, approval is required under Listing Rule 10.11 for the issue of the Director Placement Shares to Messrs Paul Atherley and Neil MacLachlan.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 4 and 5 will be to allow the Company to issue the Director Placement Shares to Messrs Paul Atherley and Neil MacLachlan (and/or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve Resolutions 4 and 5, the Company will not issue the Director Placement Shares.

### 7.4 Specific information required by Listing Rule 10.13

- (a) The Director Placement Shares will be issued to Messrs Paul Atherley and Neil MacLachlan (and/or their nominees).
- (b) Each of Messrs Paul Atherley and Neil MacLachlan are related parties of the Company by virtue of being Directors.
- (c) The maximum number of Director Placement Shares to be issued is as follows:

Director	Tranche 2 Placement Shares
Mr Paul Atherley	10,000,000
Mr Neil MacLachlan	16,666,667

- (d) Subject to receiving Shareholder approval, the Company will issue the Director Placement Shares no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow) and it is intended that all of the Director Placement Shares will be issued on the same date (being the completion date of the Tranche 2 Placement).
- (e) The Director Placement Shares will be issued at an issue price of \$0.015 per Share (being the same price as the other Tranche 2 Placement Shares).
- (f) The Shares under the Placement are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (g) The funds raised from the issue of the Director Placement Shares will be aggregated with and used for the same purpose as the funds raised from the Tranche 2 Placement. See Section 4.1 for further details.

- (h) A voting exclusion statement is included in the Notice for Resolutions 4 to 5.

## 7.5 Board Recommendation

The Directors (other than Mr Paul Atherley with respect to Resolution 4 and Mr Neil MacLachlan with respect to Resolution 5) recommend that Shareholders vote in favour of this Resolutions 4 and 5.

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## 8. RESOLUTION 6 - APPROVAL OF EMPLOYEE INCENTIVE PLAN

### 8.1 Background

On 10 March 2014, the Company obtained Shareholder approval pursuant to Listing Rule 7.2, exception 9 to approve the Company's Performance Rights Plan to enable the Company to issue Performance Rights to employees and consultants of the Company without contributing towards the Company's 15% annual placement capacity. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years and, consequently, that approval expired on 10 March 2017.

Resolution 6 seeks Shareholder approval, pursuant to Listing Rule 7.2, exception 9 to approve a new Employee Incentive Plan (**Employee Incentive Plan**). It is intended that the new Employee Incentive Plan will:

- (a) better align incentives with the Company's future business requirements;
- (a) provide greater flexibility and engagement for participants;
- (b) increase rigour in performance measures; and
- (c) better align incentives with typical market practice.

The Company believes that the new Employee Incentive Plan can better achieve the above outcomes than under the previous Performance Rights Plan as it allows the Company to issue Performance Rights, Options and Shares to Eligible Employees.

As compared to the previous Performance Rights Plan, the Employee Incentive Plan will provide a stronger basis to:

- (a) enable the Company to incentivise and retain existing key management personnel and other Eligible Employees needed to achieve the Company's business objectives;
- (b) enable the Company to recruit, incentivise and retain additional Key Management Personnel and other Eligible Employees needed to achieve the Company's business objectives;
- (c) link the reward of key staff with the achievement of strategic goals and the long term performance of the Company;
- (d) align the financial interest of participants of the Employee Incentive Plan with those of Shareholders; and

- (e) provide incentives to participants of the Employee Incentive Plan to focus on superior performance that creates Shareholder value.

The material terms of the Employee Incentive Plan are detailed in Schedule 2.

Resolution 6 is an ordinary resolution.

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

## **8.2 Listing Rule 7.1 and Listing Rule 7.2, Exception 9**

A summary of Listing Rule 7.1 is set out in Section 5.2.

Listing Rule 7.2, Exception 9 provides an exception to Listing Rule 7.1. The effect of Shareholder approval under Listing Rule 7.2, Exception 9 is that any issues of securities under the Employee Incentive Plan are treated as having been made with the approval of shareholders for the purposes of Listing Rule 7.1. Approval under Listing Rule 7.2, Exception 9 lasts for a period of three years.

A summary of the terms of the Employee Incentive Plan is set out in Schedule 2. A copy of the Employee Incentive Plan can be obtained by contacting the Company.

## **8.3 Specific information required by Listing Rule 7.2**

In accordance with Listing Rule 7.2 exception 9, information is provided as follows:

- (a) The terms of the Employee Incentive Plan are summarised in Schedule 2.
- (b) This is the first approval sought under Listing Rule 7.2 exception 9 with respect to the Employee Incentive Plan.
- (c) No securities have been issued under the Employee Incentive Plan.
- (d) A voting exclusion statement is included in the Notice for Resolution 6.

## **8.4 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

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## **9. RESOLUTION 7 - ISSUE OF PERFORMANCE RIGHTS TO MR PAUL ATHERLEY**

### **9.1 Background**

Resolution 7 seeks Shareholder approval in accordance with Chapters 2D and 2E of the Corporations Act, and Listing Rules 10.11 and 10.19 for the grant of Performance Rights to Mr Paul Atherley.

On 14 May 2018, the Company announced that in connection with Mr Atherley's appointment to the Board as Non-Executive Chairman, it would issue Selection Capital Ltd (a company of which Mr Atherley is a director and controlling shareholder) up to 115,741,113 Performance Rights, vesting upon

the achievement of various performance hurdles set out below subject to obtaining Shareholder approval.

Refer to Schedule 3 for a summary of the terms and conditions of the Performance Rights issued to Mr Paul Atherley. If Shareholder approval is obtained, the Performance Rights proposed to be issued to Mr Paul Atherley will be issued outside the existing Performance Rights Plan and the proposed Employee Incentive Plan (the subject of Resolution 6).

The Performance Rights will be granted to Mr Paul Atherley with the following Performance Criteria and expiring on the following dates:

Tranche	Number	Performance Criteria	Performance Period
1	38,580,371	Completion of a capital raising of at least an aggregate amount of A\$5.5m, via the issue of new Shares by no later than 13 November 2018.	Date of grant until 13 November 2018
2	38,580,371	Delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.	5 years from the date of grant
3	38,580,371	Delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.	5 years from the date of grant

If the Performance Rights proposed to be granted to Mr Paul Atherley are exercised, using the current issued capital of 918,452,852 Shares, the dilution effect on existing Shareholders will be approximately 11.2%.

If the Performance Criteria in respect of Performance Rights are achieved within the Performance Period, the Performance Rights will vest and result in the issue of one Share for each Performance Right. If the Performance Criteria of Performance Rights are not achieved within the Performance Period or, Mr Atherley's contractual consultancy arrangement with the Company is terminated (which may be terminated by the Company on standard conditions), then the Performance Rights will lapse, subject to the discretion of the Board allowing Mr Paul Atherley to retain those Performance Rights, allowing the Performance Rights to vest, and/or determining a new Performance Period.

Resolution 7 is an ordinary resolution.

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

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 7, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **9.2 Section 200B of the Corporations Act**

The Corporations Act restricts the benefits that can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel. Mr Paul Atherley is a member of Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes an automatic or accelerated vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the Company.

Under the terms of the Performance Rights proposed to be issued to Mr Paul Atherley, the Board has general discretion in relation to a number of matters relating to the Performance Rights. The exercise of any of these discretions may result in Mr Paul Atherley retaining his Performance Rights after he ceases employment or office with the Company. The discretion of the Board may allow vesting to occur even if applicable performance criteria have not been satisfied or achieved by the relevant times.

The Board has formed the view that each of these matters separately could constitute a benefit given in connection with retirement for the purposes of section 200B of the Corporations Act. Accordingly, Resolution 7 seeks Shareholder approval for the purposes of section 200E for those potential benefits in connection with the Performance Rights issued to Mr Paul Atherley as described in Section 9.1.

## **9.3 Section 200C of the Corporations Act**

Section 200C of the Corporations Act prohibits the Company from giving a benefit to any person who currently holds or previously has held a managerial or executive office in the Company (or any associate of them) in connection with the transfer of any part of the undertaking or property of the Company except with the prior approval of shareholders.

The terms of the Performance Rights proposed to be granted to Mr Paul Atherley will automatically vest upon a Change of Control Event, which includes the sale or transfer of the whole or substantially the whole of the undertaking and business of the Company.

Accordingly, the Company is also seeking Shareholder approval for the purposes of Section 200E for potential vesting of the Performance Rights proposed to be granted to Mr Paul Atherley in circumstances where the Company sells or transfers the whole or substantially the whole of its undertaking and business.

## **9.4 Specific information required by section 200E of the Corporations Act**

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The value of the benefit relating to any Performance Rights held by Mr Paul Atherley which may arise in connection with his retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
- (i) the number of Performance Rights held prior to ceasing employment;
  - (ii) the circumstances of or reasons for ceasing employment with the Company;
  - (iii) the length of service with the Company and performance over that period of time;
  - (iv) any other factors that the Board determines to be relevant when exercising any of the discretions described in Section 9.2;
  - (v) the market price of the Company's Shares on ASX at the relevant time; and
  - (vi) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes pricing model to value the Performance Rights.

#### **9.5 Section 208 of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Shareholder approval is required under Chapter 2E of the Corporations Act to issue the Performance Rights to Mr Paul Atherley because:

- (a) the issue of the Performance Rights is considered a "financial benefit" for the purposes of Chapter 2E of the Corporations Act; and
- (b) Mr Paul Atherley is a Director and considered to be related parties of the Company for the purposes of Chapter 2E of the Corporations Act.

#### **9.6 Listing Rule 10.11**

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Performance Rights involves the issue of securities to Mr Paul Atherley is a Director of the Company, Shareholder approval pursuant to Listing Rule

10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The effect of passing Resolution 7 will be to allow the Company to issue and allot 115,741,113 Performance Rights to Mr Paul Atherley (through his nominee Selection Capital Ltd) within one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allows) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is obtained pursuant Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (refer to Listing Rule 7.2 exception 14).

#### **9.7 Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of Shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to Mr Paul Atherley depends on a number of factors, including whether the Board exercises a discretion described in Section 9.2. It also depends on the value of the Company's equity interests, which vary over time. Accordingly, it is possible that the provision of the benefits associated with the vesting of the Performance Rights will exceed 5% of the equity interests of the Company at the relevant time.

#### **9.8 Specific information required by Chapter 2E of the Corporations Act and Listing Rule 10.13**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights to Mr Paul Atherley:

- (a) Up to 115,741,113 Performance Rights will be granted to Mr Paul Atherley (and/or his nominee Selection Capital Ltd).  
  
Mr Paul Atherley is a related party of the Company by virtue of being a Director.
- (b) The actual number of Performance Rights that vest is dependent on the achievement of the Performance Criteria as described in Section 9.1.
- (c) The 115,741,113 Performance Rights will be issued to Mr Paul Atherley (and/or his nominee Selection Capital Ltd) no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Performance Rights will be granted as incentive Performance Rights and will be granted for nil cash consideration. The exercise

price of the Performance Rights will also be nil consideration. No funds will be raised from the issue of these Performance Rights.

- (e) The terms of the Performance Rights issued to Mr Paul Atherley are summarised in Schedule 3.
- (f) A voting exclusion statement is included in the Notice.
- (g) the value of the Performance Rights to be issued to Mr Paul Atherley and the pricing methodology is as follows:

Input	Tranche 1	Tranche 2	Tranche 3
Number	38,580,371	38,580,371	38,580,371
Assumed Share Price	\$0.018 per share, being the closing price of the Company's Shares on 24 July 2018		
Performance Criteria	Completion of capital raising to cover exploration expenditure (A\$5.5m)	Delivery of a positive Pre-Feasibility Study	Delivery of a positive Definitive Feasibility Study
Expiry Date	13 November 2018	5 Years	5 years
Dividend Yield	Nil	Nil	Nil
Total Value	\$694,447	\$694,447	\$694,447

- (h) Mr Paul Atherley does not have a relevant interest in any securities of the Company.
- (i) The remuneration and emoluments from the Company to Mr Paul Atherley for the previous financial year and the proposed remuneration and emoluments for the current financial year is set out below:

Name	Current Financial Year	Previous Financial Year
Mr Paul Atherley <sup>(1)</sup>	75,000	6,250

**Notes:**

- 1. Mr Paul Atherley was appointed to the Board on 13 May 2018.

- (j) If Performance Rights granted to Mr Paul Atherley vest, a total of 115,741,113 Shares will be issued. This will increase the number of Shares on issue from 918,452,852 (being the total number of Shares on issue as at the date of this Notice and assuming no Shares are issued or convertible securities vest or are exercised) to 1,034,193,965 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 11.2%. Shareholders should note that the Performance Rights contain vesting conditions which are outlined in Section 9.1.



- (k) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Name	Price A(\$)	Date
Highest	0.035	20 October 2017
Lowest	0.014	27 April 2018
Last	0.018	24 July 2018]

- (l) The primary purpose of the grant of the Performance Rights to Mr Paul Atherley is to provide a performance linked incentive component in the remuneration package for Mr Paul Atherley and to motivate and reward the performance of Mr Paul Atherley his role as a Director.
- (m) Mr Paul Atherley declines to make a recommendation to Shareholders in relation to the Resolution 7 due to his material personal interest in the outcome of Resolution 7 on the basis that he (or his nominee) is to be granted Performance Rights should the Resolution be passed. In accordance with Section 195 of the Corporations Act, Mr Paul Atherley was not present, and did not vote, at the meeting of Directors which considered the grant of Performance Rights to Mr Paul Atherley.

However, in respect of Resolution 7, the other Directors recommend that Shareholders vote in favour of this Resolutions for the following reasons:

- (i) Mr Atherley brings a depth of experience to the Board with a strong background in the mineral resource industry including in mineral exploration and project development in Africa and globally. The grant of the Performance Rights to Mr Atherley was agreed between the Company and Mr Atherley as a performance based incentive to Mr Atherley joining the Board;
  - (ii) Mr Atherley has played an integral role in assisting the Company undertake the Placement and raising funds for the Company. This is reflected by the Resolutions relating to the Placement being conditional on the approval of the grant of Performance Rights to Mr Paul Atherley; and
  - (iii) the grant of the Performance Rights to Mr Atherley will align the interests of Mr Atherley with those of Shareholders.
- (n) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

## 10. RESOLUTION 8- ISSUE OF PERFORMANCE RIGHTS TO MR DAVID HAMMOND

### 10.1 Background

Resolution 8 seeks Shareholder approval in accordance with Chapter 2D of the Corporations Act, and Listing Rules 10.11 and 10.19 for the grant of Performance Rights to Mr David Hammond.

In connection with Mr David Hammond's appointment to the Board on 14 November 2017, the Company agreed to issue Mr Hammond up to 30,000,000 Performance Rights as part of his incentive based remuneration on the terms set out below.

Refer to Schedule 4 for a summary of the terms and conditions of the Performance Rights issued to Mr David Hammond.

The Performance Rights will be granted to Mr David Hammond with the following Performance Criteria and expiring on the following dates:

Tranche	Number	Performance Criteria	Performance Period
1	10,000,000	Delivery of an Inferred Mineral Resource of at least 46.4Mt, being at least four (4) times the current Mineral Resource for the Project, as announced on 26 September 2017.	2 years from the date of grant
2	10,000,000	Delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.	5 years from the date of grant
3	10,000,000	Delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.	5 years from the date of grant

If the Performance Rights proposed to be granted to Mr David Hammond are exercised, using the current issued capital of 918,452,852 Shares, the dilution effect on existing Shareholders will be approximately 3.2%.

If the Performance Criteria in respect of Performance Rights are achieved within the Performance Period, the Performance Rights will vest and result in the issue of one Share for each Performance Right. If the Performance Criteria of Performance Rights are not achieved within the Performance Period, then the Performance Rights will lapse, subject to the discretion of the Board allowing Mr David Hammond to retain those Performance Rights, allowing the Performance Rights to vest, and/or determining a new Performance Period.

Resolution 8 is an ordinary resolution.

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

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 8, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **10.2 Section 200B of the Corporations Act**

The Corporations Act restricts the benefits that can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel. Mr David Hammond is a member of Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes an automatic or accelerated vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the Company.

Under the terms of the Performance Rights proposed to be issued to Mr David Hammond, the Board has general discretion in relation to a number of matters relating to the Performance Rights. The exercise of any of these discretions may result in Mr David Hammond retaining his Performance Rights after he ceases employment or office with the Company. The discretion of the Board may allow vesting to occur even if applicable performance criteria have not been satisfied or achieved by the relevant times.

The Board has formed the view that each of these matters separately could constitute a benefit given in connection with retirement for the purposes of section 200B of the Corporations Act. Accordingly, Resolution 8 seeks Shareholder approval for the purposes of section 200E for those potential benefits in connection with the Performance Rights issued to Mr David Hammond as described in Section 10.1.

## **10.3 Section 200C of the Corporations Act**

Section 200C of the Corporations Act prohibits the Company from giving a benefit to any person who currently holds or previously has held a managerial or executive office in the Company (or any associate of them) in connection with the transfer of any part of the undertaking or property of the Company except with the prior approval of shareholders.

The terms of the Performance Rights proposed to be granted to Mr David Hammond will automatically vest upon a Change of Control Event, which includes the sale or transfer of the whole or substantially the whole of the undertaking and business of the Company.

Accordingly, the Company is also seeking Shareholder approval for the purposes of Section 200E for potential vesting of the Performance Rights

proposed to be granted to Mr David Hammond in circumstances where the Company sells or transfers the whole or substantially the whole of its undertaking and business.

#### **10.4 Specific information required by section 200E of the Corporations Act**

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The value of the benefit relating to any Performance Rights held by Mr David Hammond which may arise in connection with his retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
  - (i) the number of Performance Rights held prior to ceasing employment;
  - (ii) the circumstances of or reasons for ceasing employment with the Company;
  - (iii) the length of service with the Company and performance over that period of time;
  - (iv) any other factors that the Board determines to be relevant when exercising any of the discretions described in Section 9.2;
  - (v) the market price of the Company's Shares on ASX at the relevant time; and
  - (vi) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes pricing model to value the Performance Rights.

#### **10.5 Section 208 of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Shareholder approval is required under Chapter 2E of the Corporations Act to issue the Performance Rights to Mr David Hammond because:

- (a) the issue of the Performance Rights is considered a "financial benefit" for the purposes of Chapter 2E of the Corporations Act; and
- (b) Mr David Hammond is a Director and considered to be related parties of the Company for the purposes of Chapter 2E of the Corporations Act.

**10.6 Listing Rule 10.11**

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Performance Rights involves the issue of securities to Mr David Hammond is a Director of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The effect of passing Resolution 8 will be to allow the Company to issue and allot 30,000,000 Performance Rights to Mr David Hammond within one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allows) without breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is obtained pursuant Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (refer to Listing Rule 7.2 exception 14).

**10.7 Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of Shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to Mr David Hammond depends on a number of factors, including whether the Board exercises a discretion described in Section 10.2. It also depends on the value of the Company's equity interests, which vary over time. Accordingly, it is possible that the provision of the benefits associated with the vesting of the Performance Rights will exceed 5% of the equity interests of the Company at the relevant time.

**10.8 Specific information required by Chapter 2E of the Corporations Act and Listing Rule 10.13**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights to Mr David Hammond:

- (a) Up to 30,000,000 Performance Rights will be granted to Mr David Hammond (and/or his nominee).

Mr David Hammond is a related party of the Company by virtue of being a Director.

- (b) The actual number of Performance Rights that vest is dependent on the achievement of the Performance Criteria as described in Section 10.1.
- (c) The 30,000,000 Performance Rights will be issued to Mr David Hammond (and/or his nominee) no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Performance Rights will be granted as incentive Performance Rights and will be granted for nil cash consideration. The exercise price of the Performance Rights will also be nil consideration. No funds will be raised from the issue of these Performance Rights.
- (e) The terms of the Performance Rights issued to Mr David Hammond are summarised in Schedule 4.
- (f) A voting exclusion statement is included in the Notice.
- (g) The value of the Performance Rights to be issued to Mr David Hammond and the pricing methodology is as follows:

Input	Tranche 1	Tranche 2	Tranche 3
Number	10,000,000	10,000,000	10,000,000
Assumed Share Price	\$0.018, being the closing price of the Company's Shares on 23 July 2018		
Performance Criteria	Delivery of an Inferred Mineral Resource of at least 46.4Mt, being at least four (4) times the current Mineral Resource for the Project, as announced on 26 September 2017	Delivery of a positive Pre-Feasibility Study	Delivery of a positive Definitive Feasibility Study
Expiry Date	2 years	5 years	5 years
Dividend Yield	Nil	Nil	Nil
Total Value	\$180,000	\$180,000	\$180,000

- (h) Mr David Hammond has an interest in the following securities in the Company:

Director	Shares	Options	Performance Rights
Mr David Hammond	460,000	5,000,000 <sup>(1)</sup>	5,000,000 <sup>(2)</sup>

**Notes:**

1. Comprising:

- (i) 2,500,000 unquoted options exercisable at \$0.04 on or before 14 November 2019; and
- (ii) 2,500,000 unquoted options exercisable at \$0.06 on or before 14 November 2019.

2. Comprising:

- (i) 2,500,000 performance vesting upon the delivery of a Pre-Feasibility Study; and
- (ii) 2,500,000 performance vesting upon the delivery of a Pre-Feasibility Study.

- (i) Mr David Hammond does not have a relevant interest in any securities of the Company.
- (j) The remuneration and emoluments from the Company to Mr David Hammond for the previous financial year and the proposed remuneration and emoluments for the current financial year is set out below:

Name	Current Financial Year	Previous Financial Year
Mr David Hammond <sup>(1)</sup>	\$273,750	\$182,500

**Notes:**

- 1. Mr David Hammond was appointed to the Board on 13 May 2018.

- (k) If Performance Rights granted to Mr David Hammond vest, a total of 30,000,000 Shares will be issued. This will increase the number of Shares on issue from 918,452,852 (being the total number of Shares on issue as at the date of this Notice and assuming no Shares are issued or convertible securities vest or are exercised) to 948,452,852 with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.2%. Shareholders should note that the Performance Rights contain vesting conditions which are outlined in Section 10.1.

- (l) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

Name	Price A(\$)	Date
Highest	0.035	20 October 2017
Lowest	0.014	27 April 2018
Last	0.018	23 July 2018

- (m) The primary purpose of the grant of the Performance Rights to Mr David Hammond is to provide a performance linked incentive component in the remuneration package for Mr David Hammond and to motivate and reward the performance of Mr David Hammond his role as a Director.
- (n) Mr David Hammond declines to make a recommendation to Shareholders in relation to the Resolution 8 due to his material personal interest in the outcome of Resolution 8 on the basis that he (or his nominee) is to be granted Performance Rights should the Resolution be passed. In accordance with Section 195 of the Corporations Act, Mr David Hammond was not present, and did not

vote, at the meeting of Directors which considered the grant of Performance Rights to Mr David Hammond.

However, in respect of Resolution 8, the other Directors recommend that Shareholders vote in favour of this Resolutions for the following reasons:

- (i) Mr Hammond brings a depth of experience to the Board with a strong background in the mineral resource industry including in mineral exploration in Africa. The grant of the Performance Rights to Mr Hammond was agreed between the Company and Mr Hammond as a performance based incentive;
- (ii) Mr Hammond has played an integral role in organising and forming the 9,000m drill programme set to be undertaken in August 2018; and
- (iii) the grant of the Performance Rights to Mr Hammond will align the interests of Mr Hammond with those of Shareholders.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 8.

## 11. RESOLUTION 9 – ISSUE OF ADVISOR OPTIONS

### 11.1 Background

On 28 June 2018, the Company signed a capital raising mandate with Ashanti Capital Pty Ltd (**Ashanti**) for the provision of corporate advisory services in connection with the Placement (**Corporate Mandate**).

Under the terms of the Corporate Mandate, the Company has agreed to issue Ashanti the following options upon the successful completion of the Placement, subject to Shareholder approval (**Advisor Options**):

Number	Exercise Price	Expiry Date
5,000,000	\$0.04	12 months following the date of grant
5,000,000	\$0.06	12 months following the date of grant

### 11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.2.

The effect of Resolution 9 will be to allow the Directors to issue the Advisor Options during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.



Resolution 9 is an ordinary resolution.

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

### **11.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the Placement as follows:

- (a) The maximum number of Advisor Options to be issued is 10,000,000.
- (b) The Advisor Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the Advisor Options is nil.
- (d) The Advisor Options will be issued to Ashanti Capital Pty Ltd (or their nominee), none of whom are related parties or associates of related parties of the Company.
- (e) The terms and conditions of the Advisor Options are set out in Schedule 5
- (f) The Advisor Options are being issued in lieu of cash consideration for the provision of corporate advisory services. Accordingly, no funds are being raised from the issue of the Advisor Options.
- (g) It is expected that the Advisor Options will be issued on one date as soon as reasonable practical following the Meeting and the successful completion of the Placement.
- (h) A voting exclusion statement is included in the Notice for Resolution 9.

### **11.4 Board Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

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## **12. RESOLUTION 10 - CHANGE OF COMPANY NAME**

### **12.1 Background**

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

Resolution 10 seeks Shareholder approval for the change of name of the Company to "Pensana Metals Limited".

The change of name will take effect on the date that ASIC alters the details of the Company's registration.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by

proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

The Directors recommend that Shareholders vote in favour of this Resolution.

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### 13. RESOLUTION 11 - ADOPTION OF THE PROPOSED CONSTITUTION

#### 13.1 Background

In accordance with sections 136(1)(b) and 136(2) of the Corporations Act, the Constitution of the Company can only be replaced by a special resolution passed by at least 75% of the votes cast by Shareholders present and voting at a general meeting whether in person, proxy or attorney or in the case of a corporate Shareholder or proxy, by a natural person representative.

Resolution 11 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new Constitution (**Proposed Constitution**) which is of the type suitable for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

The Proposed Constitution will incorporate amendments to the Corporations Act and Listing Rules since the time that the current Constitution was adopted in September 2007. It will also incorporate amendments to reflect changes in developments in corporate governance, as well as generally to update the Constitution in keeping with market standards.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the Current Constitution. Many of the proposed changes are administrative or minor in nature. It is not practicable to list all of the differences between the current Constitution and the Proposed Constitution in this Explanatory Memorandum, however, a summary of the proposed material changes is set out in the matrix in Schedule 6. Of particular note, the Proposed Constitution deals with the following:

- (a) inclusion of provisions consistent with Listing Rule 15.13 which enables the Company to conduct an 'unmarketable parcel' sale in accordance with that Listing Rule;
- (b) inclusion of a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act. Schedule 6 contains further information relating to the proportional takeover bid provisions, as required by section 648G of the Corporations Act;
- (c) clarifying the circumstances in which the Company may declare a dividend to ensure consistency with the Corporations Act; and

- (d) clarifying that the remuneration of Directors must not be calculated as a commission on, or percentage of, profits or operating revenue.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.riftvalleyresources.com.au](http://www.riftvalleyresources.com.au) and at the offices of the Company. Shareholders are encouraged to read the Proposed Constitution in its entirety as the summary in Schedule 6 is not intended to be an exhaustive comparison between the constitutions. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary on + 61 2 9221 0090. Shareholders are invited to contact the Company if they have any queries or concerns.

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

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

### **13.2 Director Recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

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**SCHEDULE 1: DEFINITIONS**

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Advisor Options** has the meaning given in Section 11.1.

**Ashanti** has the meaning given in Section 11.1.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Change of Control Event** means:

- (a) the Company announces that Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
  - (i) a Takeover Bid (as defined under section 9 of the Corporations Act);
  - (ii) is announced;
  - (iii) has become unconditional; and
  - (iv) the person making the Takeover Bid has a relevant interest in 50% or more the issued Shares; or
- (b) any person acquires a relevant interest in 50.1% or more of the issued Shares by any other means; or
- (c) the Company announces that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

**Child Entity** has the same meaning as in the Listing Rules.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Rift Valley Resources Limited (ACN 131 985 395).

**Constitution** means the constitution of the Company.

**Corporate Mandate** has the meaning given in Section 11.1.

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

**Definitive Feasibility Study** has the meaning given in the JORC Code.

**Director** means a director of the Company.

**Director Placement Shares** has the meaning given in Section 7.1.

**Eligible Employee** means

- (a) Directors and employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives under the Employee Incentive Plan; or
- (b) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives under the Employee Incentive Plan.

**Employee Incentive** means a Share, Option or Performance Right issued under the Employee Incentive Plan.

**Employee Incentive Plan** has the meaning given in Section 8.1.

**Equity Security** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum that forms part of the Notice.

**Inferred Mineral Resource** has the meaning given in the JORC Code.

**JORC Code** means the Australasian Code for Reporting Exploration results, Mineral Resources and ore Reserves, 2012 edition.

**Key Management Personnel** means 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.

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

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Mineral Resource** has the meaning given in the JORC Code.

**Notice** means the notice of meeting that comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Option** means an option to acquire a Share.

**Participant** means a holder of Employee Incentives.

**Performance Criteria** means any minimum performance requirements (as specified in the offer letter and determined by the Board in its sole and absolute discretion) which must be met prior to a Performance Right being satisfied.

**Performance Period** means the period in which the Performance Criteria must be satisfied in respect of a Performance Right.

**Performance Right** means a performance right granted by the Company and:

- (a) in respect of Resolution 7, means the performance rights issued to Mr Paul Atherley; and
- (b) otherwise, means a performance right issue under the Employee Incentive Plan.

**Performance Rights Plan** means the Company's previous performance rights plan approved by Shareholders on 10 March 2014.

**Placement** has the meaning given in Section 4.1.

**Pre-Feasibility Study** has the meaning given in the JORC Code.

**Project** means the Longonjo NdPr Project located in Angola.

**Proposed Constitution** has the meaning given in Section 13.1.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Termination Benefit** has the same meaning as in the Listing Rules.

**Tranche 1 Placement** has the meaning given in Section 4.1.

**Tranche 1 Placement Shares** has the meaning given in Section 4.1.

**Tranche 2 Placement** has the meaning given in Section 4.1.

**Tranche 2 Placement Shares** has the meaning given in Section 4.1.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

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**SCHEDULE 2: SUMMARY OF EMPLOYEE INCENTIVE PLAN**

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The terms of the Employee Incentive Plan (**Plan**) are summarised below. A copy of the Plan can be obtained by contacting the Company. Terms not defined in the Notice have the meaning given in the Plan.

**Eligible Employees:** The eligible participants under the Plan are Directors and Employees who are declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan; or any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Shares, Options or Performance Rights under the Plan. For the purposes of the Plan, "Employee" means an employee, director or other consultant or contractor of the Company or any of its subsidiaries. In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan and be granted Shares, Options or Performance Rights.

**Limits on Entitlement:** the Company must not make an Offer for Shares, Options or Performance Rights under the Plan if, immediately afterwards, the sum of:

- (a) the total number of unissued Shares which may be acquired pursuant to the Offer (for avoidance of doubt, including pursuant to Options or Performance Rights which may be applied for as part of the Offer);
- (b) the total number of unissued Shares over which Options have been granted or Performance Rights issued during the preceding three years under this Plan and any other Group employee incentive scheme; and
- (c) the total number of Shares (not being Plan Shares) issued during the preceding three years under this Plan and any other Group employee incentive scheme,

would exceed 10% of the total number of Shares on issue at the time of the proposed issue.

The maximum allocation and allocated pool may be increased by Board resolution, provided such an increase complies with the Listing Rules.

**Individual Limits:** The Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

**Offer and Conditions:** An offer to an Eligible Employee to apply for the grant of Shares, Options or Performance Rights under the Plan (**Offer**) must be set out in an Offer Letter delivered to the Eligible Employee and specify:

- (a) the number of Shares, Options or Performance Rights;
- (b) the conditions on the Offer (**Offer Conditions**);
- (c) the Grant Date;
- (d) the Fee (if any);
- (e) the Performance Criteria (if any);
- (f) the Vesting Conditions (if any);
- (g) the Exercise Price (if any);
- (h) the Exercise Period (if applicable);

- (i) the Performance Period (if applicable);
- (j) the Expiry Date and Term (if applicable);
- (k) the Forfeiture Conditions (if any);
- (l) any Restrictions attaching to the Shares or Plan Shares together with the Restriction Period; and
- (m) the terms of any Employee Loan to be made by the Company to the Employee in accordance with this Plan to fund the purchase of Shares offered (if applicable).

**Consideration Payable:** Shares, Options and Performance Rights will be issued for nil consideration. The Exercise Price (if any) and Expiry Date for an Option will be specified in the Offer.

Under the Plan, the Board has the discretion to allow an Option holder to set-off the exercise price of Options against the number of Shares that the Option holder is entitled to receive upon exercise of the Options, allowing the Option holder to receive Shares equal in value to the difference between the exercise price of the options and the market value of the Shares (**Cashless Exercise**).

**Option Terms:**

- (a) The Board will determine any Performance Criteria or Vesting Conditions attaching to an Option.
- (b) Each vested Option will entitle the holder to one Share on payment of the Exercise Price (if any).
- (c) A Participant who holds Options is not entitled to notice of, or to vote or attend at a meeting of Shareholders, receive any dividends declared by the Company, or participate in any new issue of securities offered to Shareholders during the term of the Options, unless and until the Options are exercised and the Participant holds Shares under the Plan.
- (d) Options will only vest and be exercisable if any applicable Performance Criteria or Vesting Conditions have been satisfied, are deemed satisfied under the Plan rules, or are waived by the Board.
- (e) Options granted under the Plan may not be assigned, transferred or encumbered, or otherwise disposed of by a Participant, unless the prior consent of the Board is obtained (and the Board may impose such conditions as it sees fit) or the assignment or transfer occurs by force of law upon the death of a Participant to their legal personal representative.
- (f) If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of satisfaction of dividends or by way of dividend reinvestment), the Exercise Price of the Option will be reduced according to the formula in Listing Rule 6.22.2.
- (g) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment), the number of securities over which the Option is exercisable will be adjusted in accordance with Listing Rule 6.22.3.



- (h) If there is any reorganisation of the issued share capital of the Company, the rights of the Participant who holds Options will be varied to comply with the Listing Rules that apply to the reorganisation at the time.
- (a) The Board will not seek official quotation of Options, but must use all reasonable endeavours to obtain the grant of quotation of Shares issued on exercise of Options.

**Performance Right Terms:**

- (a) The Board may offer Performance Rights to an Eligible Employee at its sole discretion.
- (b) A Performance Rights confers an entitlement to be provided with one Share upon satisfaction of specified Performance Criteria.
- (c) A Participant who holds Performance Rights is not entitled to notice of, or to vote or attend at a meeting of Shareholders, or receive any dividends declared by the Company, unless and until the Performance Rights are satisfied and the Participant holds Shares under the Plan.
- (d) Unless otherwise determined by the Board, Performance Rights cannot be transferred to or vest in any person other than the Participant.
- (e) If there is any reorganisation of the issued share capital of the Company, the rights of the Participant who holds Performance Rights will be varied to comply with the Listing Rules that apply to the reorganisation at the time.
- (f) The Board will not seek official quotation of Performance Rights, but must use all reasonable endeavours to obtain the grant of quotation of Shares issued on exercise of Performance Rights.

**Lapse of Options and Performance Rights:** Subject to the Board's discretion, Options and Performance Rights shall automatically be cancelled for no consideration where:

- (a) the Participant ceases to hold employment or office (except where provided for under the Good Leaver and Bad Leaver provisions, as described in section entitled "Good Leaver" below);
- (b) the Options or Performance Rights are forfeited under the terms of the Offer or, in the reasonable opinion of the Board, the Participant acts fraudulently or dishonestly, or wilfully breaches his or her duties to the Company;
- (c) the applicable Performance Criteria or Vesting Conditions are not achieved by the relevant time;
- (d) the Board determines, in its reasonable opinion, that the applicable Performance Criteria or Vesting Conditions have not been met and cannot be met within the relevant time;
- (e) in the case of Options, the Expiry Date has passed;
- (f) in the case of Performance Rights, the Board determines that the Participant has not satisfied the Performance Criteria;
- (g) the Board determines that the Participant has brought the company into disrepute;

- (h) the Participant surrenders the Performance Rights or Options; and
- (i) the Offer Letter provides for the cancellation of the Performance Rights or Options in any other circumstances.

**Share Terms:** Shares issued under the Plan will be subject to Offer Conditions and will remain restricted securities until the Offer Conditions have been satisfied. If the participant ceases to be an Eligible Employee prior to satisfaction of the Offer Conditions, the Company has the right to buy-back the Shares. The Company may also buy-back the Shares where the participant has acted fraudulently or dishonestly or the Board determines that any Offer Conditions have not been met by the Expiry Date.

**Employee Loan:** the Board may, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the Issue Price for the Shares offered to the Participant pursuant to the relevant Offer.

**Good Leaver:** Where a Participant who holds Employee Incentives becomes a Good Leaver all vested Employee Incentives which have not been exercised will continue in force and remain exercisable for 90 days after the date the Participant becomes a Good Leaver, unless the Board determines otherwise in its sole and absolute discretion, after which the Employee Incentives will lapse. A Good Leaver is a person who is not a Bad Leaver. A Bad Leaver includes a person who is dismissed from office for serious or persistent breach of their terms of employment, a director who has become disqualified, or a person who has committed some other fraudulent, dishonest or negligent act.

**Assignment:** Employee Incentives may not be sold, transferred, assigned or novated except with the prior approval of the Board. Upon death or total and permanent disablement of the participant, the Board may permit the sale or transfer of any Shares acquired under the Plan.

**Change of Control:** All granted Performance Rights which have not yet vested or lapsed will automatically and immediately vest, and a Participant may exercise any or all of their Options, regardless of whether the Vesting Conditions have been satisfied (provided that no Option will be capable of exercise later than the Expiry Date), if any of the following change of control events occur:

- (a) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
  - (i) is announced;
  - (ii) has become unconditional; and
  - (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the issued Shares;
- (c) any person acquires a Relevant Interest in 50.1% or more of the issued Shares by any other means; or

- (d) the Company announces that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

**Termination, Suspension or Amendment:** The Board may terminate, suspend or amend the Plan at any time subject to any resolution of the Company required by the Listing Rules.

**Employee Share Trust:** The Board may use an employee share trust for the purposes of holding shares for Participants under the Plan.

**Disposal Restrictions on Shares:** The Board may impose disposal restrictions on Shares issued under the Plan or acquired following the vesting of Performance Rights or exercise of Options as a condition of any Offer. The Board may place a holding lock or similar arrangements on the Shares to give effect to the restrictions.

**Capital Reconstructions:** Subject to applicable laws, the number of Employee Incentives and Shares held by a Participant may be determined by the Board in its sole and absolute discretion to be such number is appropriate so that the Participant does not suffer any material detriment following a variation in the share capital of the Company.

**Buy-back:** The Company may buy-back Shares issued under the Plan in certain circumstances in accordance with the rules of the Plan.

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**SCHEDULE 3: PERFORMANCE RIGHTS TERMS AND CONDITIONS (TO BE ISSUED TO PAUL ATHERLEY)**


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The terms and conditions of the Performance Rights are as follows:

**1 Definitions**

In these terms and conditions, unless the context requires otherwise:

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

**Change of Control Event** means:

- (a) the Company announces that Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid (as defined under section 9 of the Corporations Act):
  - (i) is announced;
  - (ii) has become unconditional; and
  - (iii) the person making the Takeover Bid has a relevant interest in 50% or more the issued Shares;
- (c) any person acquires a relevant interest in 50.1% or more of the issued Shares by any other means; or
- (d) the Company announces that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- (e) the Company enters into an agreement such that an incoming party is able to acquire control of the Project either by way of sale, farm-in or joint venture or other arrangement that results in the transfer of control of the Project.

**Class A Performance Criteria** means the completion of a capital raising of an amount required to cover the Company's proposed exploration budget (A\$5.5m), such amount to confirmed by the Company in its sole discretion, via the issue of new Shares by no later than 13 November 2018.

**Class A Performance Period** means the date that is 5 years from the date of issue of the Class A Performance Right.

**Class A Performance Right** means a Class A Performance Right and subject to the Class A Performance Criteria and these terms.

**Class B Performance Criteria** means the delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.

**Class B Performance Right** means a Class B Performance Right and subject to the Class B Performance Criteria and these terms.

**Class B Performance Period** means the date that is 5 years from the date of issue of the Class B Performance Right.

**Class C Performance Criteria** means the delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.

**Class C Performance Right** means a Class C Performance Right and subject to the Class C Performance Criteria and these terms.

**Class C Performance Period** means the date that is 5 years from the date of issue of the Class C Performance Right.

**Performance Criteria** means a Class A Performance Criteria, Class B Performance Criteria and/or a Class C Performance Criteria, as the context requires.

**Performance Period** means a Class A Performance Period, Class B Performance Period and/or a Class C Performance Period, as the context requires.

**Performance Right** means a Class A Performance Right, Class B Performance Right and/or a Class C Performance Right, as the context requires.

**Performance Rightholder** means the holder of a Performance Right, this case being Paul Atherley and his nominee, Selection Capital Limited.

**Project** means the Longonjo NdPr Project located in Angola.

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

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

## **2 Performance Rightholders' Rights**

Performance Rightholders are not entitled to:

- (a) notice of, or to vote or attend at, a meeting of Shareholders;
- (b) or receive any dividends declared by the Company,

unless and until the Performance Criteria are satisfied and the Performance Rightholder is issued Shares.

## **3 Conversion**

- (a) Conversion

The Performance Rights will convert to Shares in accordance with this clause 3.

- (b) Conversion of Class A Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class A Performance Criteria prior to the Performance Period, each Class A Performance Right will automatically convert into one (1) Share.

(c) Conversion of Class B Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class B Performance Criteria prior to the Performance Period, each Class B Performance Right will automatically convert into one (1) Share.

(d) Conversion of Series C Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class C Performance Criteria prior to the Performance Period, each Class C Performance Right will automatically convert into one (1) Share.

(e) Lapse of Performance Rights:

Unless otherwise determined by the Board, a Performance Right shall automatically be cancelled for no consideration on the earliest to occur of the following:

- (i) the cessation of the Performance Rightholder's contractual arrangement with the Company;
- (ii) the occurrence of any criteria, requirement or conditions as determined by the Board (notwithstanding the satisfaction or waiver of the applicable Performance Criteria) including, but not limited to, the Performance Rightholder :
  - (A) acting fraudulently or dishonestly; or
  - (B) wilfully breaches his or her duties and/or contractual obligations to the Company;
- (iii) the Performance Criteria is not achieved by the end of the Performance Period;
- (iv) if the Board determines in its reasonable opinion that the Performance Criteria has not been met and cannot be met prior to the end of the Performance Period;
- (v) a determination by the Board that the Performance Rightholder has not satisfied the Performance Criteria;
- (vi) the Board has determined that the Performance Rightholder has, by any act or omission, brought the Company into disrepute;
- (vii) the receipt by the Company of notice from or on behalf of the Performance Rightholder in circumstances of:
  - (A) the death of the Performance Rightholder; or
  - (B) the total and permanent disablement of the Performance Rightholder such that the Performance Rightholder is unlikely ever to engage in any services for which the Performance Rightholder is reasonably qualified by education, training or experience,

and the Performance Rightholder has elected to surrender the Performance Right; or

(viii) the contractual arrangement between the Performance Rightholder and the Company ceases in any of the following circumstances:

- (A) the Performance Rightholder has committed any serious or persistent breach of the provision of any contractual arrangement entered into by the Performance Rightholder with the Company;
- (B) the Performance Rightholder being guilty of fraudulent or dishonest conduct in the performance of the Performance Rightholder's duties, which in the reasonable opinion of the Company affects the Performance Rightholder's suitability for their engagement with the Company, or brings the Performance Rightholder or the Company into disrepute;
- (C) where the Board has determined that the Performance Rightholder has, by any act or omission, brought the Company into disrepute;
- (D) the Performance Rightholder has been convicted of any criminal offence which involves fraud or dishonesty;
- (E) the Performance Rightholder has committed any wrongful or negligent act or omission which has caused the Company substantial liability;
- (F) the Performance Rightholder has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Performance Rightholder being banned from managing a corporation; or
- (G) the Performance Rightholder has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of their engagement without notice.

(f) Change of Control Event

Where a Change of Control Event has occurred or, in the opinion of the Board, will occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest and will automatically convert into Shares.

(g) Shares Issued on Conversion

Any Shares issued on conversion of any Performance Right will rank equally with all existing Shares on and from the date of issue in respect of all rights and bonus issues, and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

#### **4 Issue of Shares for No Consideration**

The Company shall allot and issue Shares immediately upon conversion of the Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

#### **5 Capital Reconstruction**

Subject to any applicable laws, the number of Performance Rights held by a Performance Rightholder may, in the sole and absolute discretion of the Board, be determined to be such number as is appropriate so that the Performance Rightholder does not suffer from any material detriment following any variation in the share capital of the Company arising from:

- (a) a reduction, subdivision or consolidation of share capital;
- (b) a reorganisation of share capital;
- (c) a distribution of assets in specie;
- (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
- (e) any issue of ordinary shares or other equity securities or instruments which convert into ordinary shares by way of capitalisation of profits or reserves.

#### **6 Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of the Performance Rights and the rights of the Performance Rightholder will be varied, including any adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

#### **7 Winding Up**

If the Company is wound up prior to conversion of all of the Performance Rights into Shares then the Performance Rightholders will have:

- (a) no right to be paid cash for the Performance Rights; and
- (b) no right to participate in surplus assets or profits of the Company on winding up.



**8 Non-transferable**

Unless otherwise determined by the Board, the Performance Rights cannot be transferred to or vest in any person other than the Performance Rightholder.

**9 Participation in New Issues**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**10 Quotation**

The Performance Rights are not quoted. No application for quotation of the Performance Rights will be made by the Company.

The Company must within 20 business days (or such shorter period as may be required by ASIC, the ASX or any other exchange on which Shares are quoted) issue and allot the applicable number of Shares and use all reasonable endeavours to obtain the grant of quotation of those Shares issued on exercise of the vested Performance Rights on ASX and, subject to the Listing Rules, on any other exchange on which Shares are quoted.

Notwithstanding the above, the Company's obligation to issue such Shares shall be postponed until the earlier of:

- (a) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, in which case the Company shall either give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; or
- (b) the Performance Rightholder elects that the Shares to be issued will be subject to a holding lock for a period of 12 months, in which case the Company shall issue or transfer the Shares to the Performance Rightholder in accordance with these terms and the Company shall apply a holding lock in respect of the Shares which shall be released on the earlier of:
  - (i) the date that is 12 months from the date of issue of the Shares; or
  - (ii) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act;
  - (iii) the Board releases the holding lock pursuant to a Change of Control Event; or
  - (iv) the transfer complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

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**SCHEDULE 4: PERFORMANCE RIGHTS TERMS AND CONDITIONS (TO BE ISSUED TO DAVID HAMMOND)**

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The terms and conditions of the Performance Rights are as follows:

**1 Definitions**

In these terms and conditions, unless the context requires otherwise:

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

**Change of Control Event** means:

- (a) the Company announces that Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid (as defined under section 9 of the Corporations Act):
  - (i) is announced;
  - (ii) has become unconditional; and
  - (iii) the person making the Takeover Bid has a relevant interest in 50% or more the issued Shares; or
- (c) any person acquires a relevant interest in 50.1% or more of the issued Shares by any other means; or
- (d) the Company announces that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

**Class A Performance Criteria** means the delivery of an Inferred Mineral Resource Estimate of at least 46.4Mt, being at least four (4) times the current Mineral Resource Estimate for the Project, as announced on 26 September 2017.

**Class A Performance Period** means the date that is 2 years from the date of issue of the Class A Performance Right.

**Class A Performance Right** means a Class A Performance Right and subject to the Class A Performance Criteria and these terms.

**Class B Performance Criteria** means the delivery of a positive Pre-Feasibility Study and the Company making a decision to proceed to a Definitive Feasibility Study of the Project.

**Class B Performance Right** means a Class B Performance Right and subject to the Class B Performance Criteria and these terms.

**Class B Performance Period** means the date that is 5 years from the date of issue of the Class B Performance Right.

**Class C Performance Criteria** means the delivery of a positive Definitive Feasibility Study and the Company making a decision to proceed with financing and development of the Project.

**Class C Performance Right** means a Class C Performance Right and subject to the Class C Performance Criteria and these terms.

**Class C Performance Period** means the date that is 5 years from the date of issue of the Class C Performance Right.

**Inferred Mineral Resource** has the meaning given in the JORC Code.

**JORC Code** means the Australasian Code for Reporting Exploration results, Mineral Resources and ore Reserves, 2012 edition.

**Mineral Resource** has the meaning given in the JORC Code.

**Performance Criteria** means a Class A Performance Criteria, Class B Performance Criteria and/or a Class C Performance Criteria, as the context requires.

**Performance Period** means a Class A Performance Period, Class B Performance Period and/or a Class C Performance Period, as the context requires.

**Performance Right** means a Class A Performance Right, Class B Performance Right and/or a Class C Performance Right, as the context requires.

**Performance Rightholder** means the holder of a Performance Right, this case being David Hammond or his nominee.

**Project** means the Longonjo NdPr Project located in Angola.

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

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

## **2 Performance Rightholders' Rights**

Performance Rightholders are not entitled to:

- (a) notice of, or to vote or attend at, a meeting of Shareholders;
- (b) or receive any dividends declared by the Company,

unless and until the Performance Criteria are satisfied and the Performance Rightholder is issued Shares.

## **3 Conversion**

- (a) Conversion

The Performance Rights will convert to Shares in accordance with this clause 3.

- (b) Conversion of Class A Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class A Performance Criteria prior to the

Performance Period, each Class A Performance Right will automatically convert into one (1) Share.

(c) Conversion of Class B Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class B Performance Criteria prior to the Performance Period, each Class B Performance Right will automatically convert into one (1) Share.

(d) Conversion of Series C Performance Right:

Subject to clause 3(e), where the Board has determined the Performance Rightholder has satisfied the Class C Performance Criteria prior to the Performance Period, each Class C Performance Right will automatically convert into one (1) Share.

(e) Lapse of Performance Rights:

Unless otherwise determined by the Board, a Performance Right shall automatically be cancelled for no consideration on the earliest to occur of the following:

- (i) the cessation of the Performance Rightholder's contractual arrangement with the Company;
- (ii) the occurrence of any criteria, requirement or conditions as determined by the Board (notwithstanding the satisfaction or waiver of the applicable Performance Criteria) including, but not limited to, the Performance Rightholder :
  - (A) acting fraudulently or dishonestly; or
  - (B) wilfully breaches his or her duties and/or contractual obligations to the Company;
- (iii) the Performance Criteria is not achieved by the end of the Performance Period;
- (iv) if the Board determines in its reasonable opinion that the Performance Criteria has not been met and cannot be met prior to the end of the Performance Period;
- (v) a determination by the Board that the Performance Rightholder has not satisfied the Performance Criteria;
- (vi) the Board has determined that the Performance Rightholder has, by any act or omission, brought the Company into disrepute;
- (vii) the receipt by the Company of notice from or on behalf of the Performance Rightholder in circumstances of:
  - (C) the death of the Performance Rightholder; or
  - (D) the total and permanent disablement of the Performance Rightholder such that the Performance Rightholder is unlikely ever to engage in any services for which the Performance

Rightholder is reasonably qualified by education, training or experience,

and the Performance Rightholder has elected to surrender the Performance Right; or

(viii) the contractual arrangement between the Performance Rightholder and the Company ceases in any of the following circumstances:

- (A) the Performance Rightholder has committed any serious or persistent breach of the provision of any contractual arrangement entered into by the Performance Rightholder with the Company;
- (B) the Performance Rightholder being guilty of fraudulent or dishonest conduct in the performance of the Performance Rightholder's duties, which in the reasonable opinion of the Company affects the Performance Rightholder's suitability for their engagement with the Company, or brings the Performance Rightholder or the Company into disrepute;
- (C) where the Board has determined that the Performance Rightholder has, by any act or omission, brought the Company into disrepute;
- (D) the Performance Rightholder has been convicted of any criminal offence which involves fraud or dishonesty;
- (E) the Performance Rightholder has committed any wrongful or negligent act or omission which has caused the Company substantial liability;
- (F) the Performance Rightholder has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Performance Rightholder being banned from managing a corporation; or
- (G) the Performance Rightholder has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of their engagement without notice.

(f) Change of Control Event

Where a Change of Control Event has occurred or, in the opinion of the Board, will occur, all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest and will automatically convert into Shares.

(g) Shares Issued on Conversion

Any Shares issued on conversion of any Performance Right will rank equally with all existing Shares on and from the date of issue in respect of all rights and bonus issues, and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

#### **4 Issue of Shares for No Consideration**

The Company shall allot and issue Shares immediately upon conversion of the Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.

#### **5 Capital Reconstruction**

Subject to any applicable laws, the number of Performance Rights held by a Performance Rightholder may, in the sole and absolute discretion of the Board, be determined to be such number as is appropriate so that the Performance Rightholder does not suffer from any material detriment following any variation in the share capital of the Company arising from:

- (a) a reduction, subdivision or consolidation of share capital;
- (b) a reorganisation of share capital;
- (c) a distribution of assets in specie;
- (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or
- (e) any issue of ordinary shares or other equity securities or instruments which convert into ordinary shares by way of capitalisation of profits or reserves.

#### **6 Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of the Performance Rights and the rights of the Performance Rightholder will be varied, including any adjustment to the number of Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

#### **7 Winding Up**

If the Company is wound up prior to conversion of all of the Performance Rights into Shares then the Performance Rightholders will have:

- (a) no right to be paid cash for the Performance Rights; and
- (b) no right to participate in surplus assets or profits of the Company on winding up.

**8 Non-transferable**

Unless otherwise determined by the Board, the Performance Rights cannot be transferred to or vest in any person other than the Performance Rightholder.

**9 Participation in New Issues**

There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

**10 Quotation**

The Performance Rights are not quoted. No application for quotation of the Performance Rights will be made by the Company.

The Company must within 20 business days (or such shorter period as may be required by ASIC, the ASX or any other exchange on which Shares are quoted) issue and allot the applicable number of Shares and use all reasonable endeavours to obtain the grant of quotation of those Shares issued on exercise of the vested Performance Rights on ASX and, subject to the Listing Rules, on any other exchange on which Shares are quoted.

Notwithstanding the above, the Company's obligation to issue such Shares shall be postponed until the earlier of:

- (a) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, in which case the Company shall either give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; or
- (b) the Performance Rightholder elects that the Shares to be issued will be subject to a holding lock for a period of 12 months, in which case the Company shall issue or transfer the Shares to the Performance Rightholder in accordance with these terms and the Company shall apply a holding lock in respect of the Shares which shall be released on the earlier of:
  - (i) the date that is 12 months from the date of issue of the Shares; or
  - (ii) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act;
  - (iii) the Board releases the holding lock pursuant to a Change of Control Event; or
  - (iv) the transfer complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

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**SCHEDULE 5: TERMS AND CONDITIONS OF ADVISOR OPTIONS**


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**1. Entitlement**

Each Advisor Option entitles the holder to subscribe for one Share in the Company upon exercise of each Advisor Option.

**2. Exercise Price and Expiry Date**

The Exercise Price and Expiry Date of each Advisor Option is referred to in the below table.

<b>Class</b>	<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Class A	5,000,000	A\$0.04	12 months from the date of issue
Class B	5,000,000	A\$0.06	12 months from the date of issue

**3. Exercise Period**

The Advisor Options are exercisable at any time prior to the Expiry Date.

**4. Notice of Exercise**

- (a) The Advisor Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Advisor Option being exercised.
- (b) Any notice of exercise of an Advisor Option received by the Company (**Notice of Exercise**) will be deemed to be a notice of the exercise of that Advisor Option as at the date of receipt.

**5. Shares issued on exercise**

Shares issued on exercise of the Advisor Options rank equally with the then Shares of the Company.

**6. Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Advisor Options.

**7. Timing of issue of Shares and quotation of Shares on exercise**



Within 20 business days (or such shorter period as may be required by ASIC, the ASX or any other exchange on which Shares are quoted) of receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Advisor Option being exercised, the Company must issue and allot the applicable number of Shares and use all reasonable endeavours to obtain the grant of quotation of those Shares issued on exercise of the Advisor Options on ASX and, subject to the Listing Rules, on any other exchange on which Shares are quoted.

Notwithstanding the above, the Company's obligation to issue such Shares shall be postponed until the earlier of:

- (a) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, in which case the Company shall either give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; or
- (b) the Advisor Optionholder elects that the Shares to be issued will be subject to a holding lock for a period of 12 months, in which case the Company shall issue or transfer the Shares to the Advisor Optionholder in accordance with these terms and the Company shall apply a holding lock in respect of the Shares which shall be released on the earlier of:
  - (i) the date that is 12 months from the date of issue of the Shares; or
  - (ii) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act;
  - (iii) the Board releases the holding lock pursuant to a Change of Control Event; or
  - (iv) the transfer complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

**"Change of Control Event"** means:

- (a) the Company announces that Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid (as defined under section 9 of the Corporations Act):
  - (i) is announced;
  - (ii) has become unconditional; and

- (iii) the person making the Takeover Bid has a relevant interest in 50% or more the issued Shares;
- (c) any person acquires a relevant interest in 50.1% or more of the issued Shares by any other means; or
- (d) the Company announces that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

## 8. Participation in new issues

There are no participation rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Advisor Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five business days after the issue is announced. This will give the holders of Advisor Options the opportunity to exercise their Advisor Options prior to the date for determining entitlements to participate in any such issue.

## 9. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Advisor Option will be increased by the number of Shares which the Advisor Optionholder would have received if the holder of Advisor Options had exercised the Advisor Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

## 10. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Advisor Option will be reduced according to the following formula:

New exercise price =  $O - \frac{E[P-(S+D)]}{N+1}$

O = the old Exercise Price of the Advisor Option.

E = the number of underlying Shares into which one Advisor Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

**11. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders of Advisor Options may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

**12. Adjustment for compliance with ASX Listing Rules**

The terms of the Advisor Options may be amended from time to time by the issue of a notice from the Company to the holder setting out the details of such amended terms. Any such amendment may only be made by the Company solely to the extent that it is necessary for the Company to comply with the ASX Listing Rules.

**13. Quotation of Advisor Options**

No application for quotation of the Advisor Options will be made by the Company.

**14. Advisor Options non transferable**

The Advisor Options are only transferable provided that the transfer of Advisor Options complies with section 707(3) of the Corporations Act.

**15. Lodgement Instructions**

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

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**SCHEDULE 6: SUMMARY OF THE PROPOSED CONSTITUTION**

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A summary of the Proposed Constitution is set out below.

(a) **Shares**

The issue of Shares and Options by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of Shares.

(b) **Preference Shares**

The Corporations Act requires certain rights of preference shares to be either set out in the constitution or approved in general meeting by special resolution before preference shares are issued.

The Proposed Constitution sets out a framework of rights for preference share issues from which the Board can determine to issue preference shares, without the need to obtain further Shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the Proposed Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

(c) **Reductions of Capital**

The Proposed Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

(d) **Liens**

If the Company issues partly paid Shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares. The powers of the Company in relation to calls, company payments, forfeiture and liens are set out in schedule 2 to the Proposed Constitution.

(e) **Transfer of Shares**

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (**ASTC**) Operating Rules. Transfers through ASTC are effected electronically in ASTC's Clearing House Electronic Sub register System (**CHES**). For the purposes of the Company's participation in the CHES, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules.

(f) **Proportional Takeovers**

A proportional takeover bid is one in which the offer or offers only to buy a specified proportion of each Shareholders' shares.

The Proposed Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

At the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The perceived advantages of including proportional takeover provisions in a constitution are that such provisions may:

- (i) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (ii) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (iii) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (iv) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in a constitution include the following:

- (v) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (vi) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and
- (vii) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

The proportional takeover provisions are contained in schedule 5 to the Proposed Constitution.

(g) **Alterations of share capital**

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the Listing Rules.

(h) **Buy Backs**

The Company may buy back shares in itself on terms and at such times determined by the Directors.

(i) **Disposal of less than a Marketable Parcel**

For the sake of avoiding excessive administration costs, the Proposed Constitution contains provisions enabling the Company to procure the disposal of Shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The provisions relating to unmarketable parcel are contained in schedule 4 to the Proposed Constitution.

(j) **Variation of class rights**

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

(k) **Meetings of Shareholders**

Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The Proposed Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

(l) **Voting of Shareholders**

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a

fraction of a vote for each partly paid share determined by the amount paid up on that share.

(m) **Proxies**

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The Proposed Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

(n) **Directors**

Unless changed by the Company in general meeting, the minimum number of directors is 3 and no maximum number is specified. The Directors and the Company may at any time appoint any person as a Director. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for re-election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

(o) **Powers of Directors**

The business of the Company is to be managed by or under the direction of the Directors.

(p) **Remuneration of Directors**

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

(q) **Execution of documents**

In accordance with the Corporations Act, the Constitution provides for execution of documents by the Company without the use of the Company's company seal.

(r) **Dividends**

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately. The Company is not required to pay any interest on dividends.

(s) **Indemnities and insurance**

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or secretary. A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

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

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (WST) on Saturday 15 September 2018.**

### 🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/riftvalleygm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (WST) on Saturday 15 September 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/riftvalleygm2018>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.



☐
**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Rift Valley Resources** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the **Ground Floor, 10 Outram Street, West Perth, Western Australia on Monday, 17 September 2018 at 10:00am (WST)** and at any adjournment of that meeting, to act 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.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

### STEP 2 VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
<b>Res 1</b>	Ratification of Trench 1 Placement Under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 7</b>	Issue of Performance Rights to Mr Paul Atherley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 2</b>	Ratification of Trench 1 Placement Under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 8</b>	Issue of Performance Rights to Mr David Hammond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 3</b>	Approval of the Trench 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 9</b>	Issue of Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 4</b>	Authority for Mr Paul Atherley to Participate in the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 10</b>	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 5</b>	Authority for Mr Neil MacLachlan to Participate in the Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 11</b>	Adoption of the Proposed Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 6</b>	Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018