

ASX ANNOUNCEMENT

12 January 2018

WALKABOUT RESOURCES LTD
ACN 119 670 370

ASX Code: WKT

admin@wkt.com.au
www.wkt.com.au

Level 3, 681 Murray St,
West Perth, WA 6872
P.O. Box 263,
West Perth WA 6005

T: +61 8 6298 7500
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DIRECTORS

Chairman: Trevor Benson
Exec: Allan Mulligan
Tech: Andrew Cunningham
Non Exec: Tom Murrell

ORDINARY SHARES
201,312,241

PROJECTS

Lindi Jumbo Graphite Project
Tanzania (70%)

Northern Ireland Gold and Base
Metals (50% ~100%)

Eureka Lithium Project
Namibia (75%-100%)

Takatokwane Coal Project
Botswana (60%)

Dear Shareholder,

Notice of General Meeting – 14 February 2018

Your Company is currently in a significant phase of growth and development and consequently is finalising a substantial partially underwritten Rights Issue. The terms of the underwriting include the requirement to issue the underwriter one option for every four shares issued. While these shares are issued free, they are exercisable at a strike price of A\$0.15c within twenty four months.

The Company is required to seek shareholder approval for the listing of these options. This approval is required within 28 days after the close of the Rights Issue and is the primary motivation for holding the General Meeting so soon after the AGM. The other resolutions in the notice are procedural.

It is extremely important that the Company continues to be well funded in order to carry out Management's strategic plan for growth including our Lindi Jumbo Graphite Project in Tanzania, the compelling lithium exploration portfolio developing in Namibia and the diversified opportunities in Northern Ireland.

Yours sincerely,



Trevor Benson
Chairman

About WKT

Walkabout is fast-tracking the development of the high-grade Lindi Jumbo Project to take advantage of forecast market conditions for Flake Graphite deposits with high ratios of Large and Jumbo flakes. The Company currently holds 70% of four licences at Lindi Jumbo with an option to acquire the remaining 30% share.

In addition to the Lindi Jumbo Graphite Project Walkabout is also exploring for lithium in southern Namibia at the Eureka Lithium Project with known lithium occurrences and 90 linear kilometres of mapped pegmatites targeted for exploration.

The Company has also acquired from Platinum Group Major Lonmin PLC, an exciting exploration portfolio for gold and base metals in Northern Ireland.

Details of Walkabout Resources' projects are available at the Company's website, www.wkt.com.au

ENDS

WALKABOUT RESOURCES LIMITED

ACN 119 670 370

NOTICE OF GENERAL MEETING

TIME: 10 am WST

DATE: Wednesday 14th February 2018

PLACE: Celtic Club, 48 Ord Street, West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Ian Hobson, on +61 (08) 6298 7500

CONTENTS PAGE

| | |
|--|----|
| Business of the Meeting (setting out the proposed resolutions) | 3 |
| Explanatory Statement (explaining the proposed resolutions) | 5 |
| Glossary | 11 |
| Schedule 1 | 12 |

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that a General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10 am WST on Wednesday, 14th February 2018 at Celtic Club, 48 Ord Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5.00 pm WST on 12th February 2018.

VOTING IN PERSON

To vote in person, attend the General Meeting at the time, date and place set out above.

VOTING BY PROXY

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 have the effect that:

- If proxy holders vote, they must cast all directed proxies as they are directed to; and
 - Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.
-

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to Chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF UNDERWRITER OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 15,500,000 Options to Patersons Securities Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who 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 in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issue by the Company of 16,776,020 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the issue by the Company of 16,776,020 fully paid ordinary shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF PLACEMENT OPTIONS

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 8,388,010 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who 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 in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF SHARES TO SOPHISTICATED INVESTORS PURSUANT TO NEW PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$1,300,000 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who 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 in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 10 JANUARY 2018

BY ORDER OF THE BOARD



Ian Hobson
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

6. RESOLUTION 1 – ISSUE OF UNDERWRITER OPTIONS

6.1 Background

The Company issued a Prospectus dated 20 December 2017 for the following offers:

- (a) a renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the record date at an issue price of \$0.10 per Share to raise up to \$6,710,408 (being an issue of up to 67,104,080 Shares, based on the number of Shares on issue as at the date of this Prospectus), together with one (1) free attaching New Option for every four (4) Shares subscribed for and issued (**Entitlement Offer**);
- (b) an offer of up to 8,388,010 new Options to subscribers under the Placement (**Placement Options Offer**); and
- (c) an offer of 15,500,000 Options to Patersons Securities Limited (**Patersons or Underwriter**) (**Underwriter Options Offer**),

(together, the **Offers**).

The Entitlement Offer is partially underwritten up to \$6.2 million by Patersons.

The Underwriter Options are exercisable at \$0.15 on or before 31 December 2019 to the Underwriter (or their nominees) for part of their fee to underwrite the Entitlement Offer.

The issue of the 15,500,000 new Options under the Underwriter Options Offer is subject to Shareholder approval which will be sought at this General Meeting. The Underwriter Options will not be issued until Shareholder approval has been obtained.

No funds will be raised from the Underwriter Options Offer as relevant new Options are being issued for nil consideration for fees paid to the Underwriter.

Resolution 1 seeks Shareholder approval for the issue of 15,500,000 Options to Patersons in part consideration for partially underwriting the Entitlement Offer

ASX Listing Rule 7.1 provides that a 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.

The effect of Resolution 1 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 15,500,000;
- (b) the 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 ASX Listing Rules) and it is intended that issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the exercise price of the Options is \$0.15 each, exercisable on or before 31 December 2019;
- (e) the Options will be granted to Patersons (or its nominee). Neither Patersons or its nominees are Related Parties of the Company;
- (f) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) no funds will be raised from the issue of the Options as the Options are being issued for part consideration for underwriting services provided by Patersons.

The Directors of the Company unanimously recommend that shareholders vote in favour of Resolution 1.

7. RESOLUTIONS 2 & 3 – RATIFICATION OF PAST SHARE ISSUES

7.1 Background

On 13 December 2017, the Company issued 33,552,040 Shares (**Placement Shares**) at an issue price of \$0.101 per share to raise approximately \$3,388,756 under a placement to professional and sophisticated investors, as announced to ASX on 7 December 2017 (**Placement**).

16,776,020 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 15 November 2017 and 16,776,020 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolutions 2 and 3 seek Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

7.2 Resolution 2 – ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 6.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

7.3 Resolution 3 – ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number 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 ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 3, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

7.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 2 and 3:

- (a) Shares were issued on the following basis:
 - (i) 16,776,020 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 16,776,020 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.101 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue were used for further development of the Lindi Jumbo Graphite project in Tanzania.

The Directors unanimously recommend that shareholders vote in favour of Resolutions 2 and 3.

8. RESOLUTION 4 – ISSUE OF PLACEMENT OPTIONS

8.1 Background

As Placement described above, included 1 free attaching Option for every 4 Shares subscribed for and issued, being 8,388,010 Options.

The Options are exercisable at \$0.15 each on or before 31 December 2019 to the subscribers to the Placement (**Placement Options**).

No funds will be raised from the Placement Options as relevant new Options are being issued for nil consideration as free attaching Options to subscribers to the Placement.

A summary of ASX Listing Rule 7.1 is set out in section 6.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Placement Options to be issued under this Resolution is 8,388,010;
- (b) the Placement 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 ASX Listing Rules) and it is intended that issue will occur on the same date;
- (c) the issue price per Option will be nil as they will be issued free attaching with the Placement Shares on a 1 for 4 basis;
- (d) the Options will be issued to subscribers to the Placement (or their nominees), who are not Related Parties of the Company; and
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Placement Options as the Placement Options are being issued for nil cash consideration.

The Directors of the Company unanimously recommend that shareholders vote in favour of Resolution 4.

9. RESOLUTION 5 – ISSUE OF SHARES TO SOPHISTICATED INVESTORS PURSUANT TO NEW PLACEMENT

9.1 Background

Resolution 5 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$1,300,000 (**New Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 6.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the New Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

9.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$1,300,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the issue of the Shares will occur on the same day;
- (c) the issue price will be at least 80% of the VWAP for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Shares will be issued to sophisticated investors determined by the Directors. None of these investors will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the New Placement towards the purchase of 30% of prospecting licence 9992/2014 from AMM pursuant to the memorandum of understanding between Walkabout Tanzania and AMM dated 13 May 2015.

9.3 Dilution

If Resolution 5 is approved by Shareholders and the Company issues the Shares pursuant to the New Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

There is a risk that the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the Meeting. The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities as at the date of this Notice.

The table shows:

- (i) two examples where the Company's current shares on issue increase, by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements

under Listing Rules 7.1 and 7.1A that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 20% and increased by 20% as against the current market price.

| Number of Shares on Issue | Dilution | | | |
|---------------------------------------|-------------------------|-----------------------------|----------------------|-----------------------------|
| | Issue Price (per Share) | \$0.08 | \$0.100 | \$0.12 |
| | | 20% decrease in Issue Price | Current Issue Price | 20% increase in Issue Price |
| 201,312,241 (Current) | Shares issued | 16,250,000 Shares | 13,000,000 Shares | 10,833,333 Shares |
| | Dilution % | 8% | 6% | 5% |
| 301,968,362 (50% increase) | Shares issued | 16,250,000 Shares | 13,000,000 Shares | 10,833,333 Shares |
| | Dilution % | 5% | 4% | 4% |
| 402,624,482 (100% increase) | Shares issued | 16,250,000 Shares | 13,000,000 Shares | 10,833,333 Shares |
| | Dilution % | 4% | 3% | 3% |

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Shares pursuant to the New Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX).
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of the New Placement;
- (v) The table shows only the effect of issue of Shares under the New Placement, not under the additional placement capacity the Company may have under Listing Rules 7.1 and 7.1A or as a result of the current 1:3 Rights Issue being undertaken by the Company; and
- (vi) The issue price is \$0.10, being the closing price of the Shares on ASX on 9 January 2018.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chairperson of the Meeting.

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

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

Company means Walkabout Resources Limited (ACN 119 670 370).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Issued Capital means the ordinary shares, performance rights and options of the Company currently on issue.

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

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Placement means the Company's issue of 33,552,040 Shares at \$0.101 per Share (together with 1 free attaching New Option for every 4 Shares subscribed for and issued) to sophisticated and professional investors to raise \$3,388,756 million, as detailed in the Company's ASX announcement dated 7 December 2017.

Placement Options Offer means the offer of up to 8,388,010 free new Options to Investors, on the basis of one (1) free new Option for every four (4) Shares subscribed for by Investors in the Placement, under this prospectus.

Proxy Form means the proxy form accompanying the Notice.

Related Party means a director and their associates of the Company;

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

Security means security in the Issued Capital of the Company.

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

Shareholder means a holder of a Share.

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

Variable A means "A" as set out in the calculation in section 6 of this Notice.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – OPTION TERMS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under g(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

ACN: 119 670 370

REGISTERED OFFICE:
LEVEL 3
681 MURRAY STREET
WEST PERTH WA 6005

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
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530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»


 «Holder_name»
 «Address_line_1»
 «Address_line_2»
 «Address_line_3»
 «Address_line_4»
 «Address_line_5»

Code:
Holder Number:

PROXY FORM

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

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

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

SECTION A: Appointment of Proxy

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

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:00am WST on Wednesday 14 February 2018 at Celtic Club, 48 Ord Street, West Perth WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

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

| RESOLUTION | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1. Issue of Underwriter Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Issue of Placement Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Issue of Shares to Sophisticated Investors Pursuant to New Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder: Sole Director & Sole Company Secretary

Security Holder 2: Director

Security Holder 3: Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Monday 12 February 2018.



My/Our contact details in case of enquiries are:

Name:

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1. NAME AND ADDRESS

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

2. APPOINTMENT OF A PROXY

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

3. DIRECTING YOUR PROXY HOW TO VOTE

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

4. APPOINTMENT OF A SECOND PROXY

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

To appoint a second Proxy you must:

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

5. SIGNING INSTRUCTIONS

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

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

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

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

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

6. LODGEMENT OF PROXY

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

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

Security Transfer Australia Pty Ltd

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| Online | www.securitytransfer.com.au |
| Postal Address | PO BOX 52 Collins Street West VIC 8007 |
| Street Address | Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000 |
| Telephone | 1300 992 916 |
| Facsimile | +61 8 9315 2233 |
| Email | registrar@securitytransfer.com.au |

PRIVACY STATEMENT

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

