

# AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

## NOTICE OF GENERAL MEETING

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**TIME:** 12.00 pm Melbourne, Australia time

**DATE:** 30 May 2018

**PLACE:** Royal South Yarra Lawn Tennis Club, 310 Williams Road North, Toorak, Victoria

***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.***

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## IMPORTANT INFORMATION

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### TIME AND PLACE OF MEETING

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 12.00 pm Melbourne, Australia time on 30 May 2018 at:

Royal South Yarra Lawn Tennis Club, 310 Williams Road North, Toorak Victoria

### YOUR VOTE IS IMPORTANT

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

### VOTING ELIGIBILITY

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The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 pm Melbourne Australia time on 29<sup>th</sup> May 2018.

### VOTING IN PERSON

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

### VOTING BY PROXY

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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.

#### ***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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL TO ISSUE SECURITIES

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 Rules 7.1, and for all other purposes, Shareholders approve the issue of the Options, and subsequent conversion of the Options into Shares, on the terms and conditions of the Option Deed to SK Innovation or Nominee as set out in section 1 of the Explanatory Statement.”*

##### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by SK Innovation, 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 Shares), if the resolution is passed, or any associates of those entities.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a 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 ISSUE OF SECURITIES

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 Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company of the Shares to the recipients set out in Section 2.3(b) of the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this resolution by recipients of Shares as defined in the Explanatory Statement or any associates of those entities.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a 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 TO ISSUE SECURITIES

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 Rules 7.1, and for all other purposes, Shareholders approve the issue of the Acquisition Shares to Metallica on the terms and conditions set out in Section 3 of the Explanatory Statement.”*

##### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this resolution by Metallica, 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 Shares), if the resolution is passed, or any associates of those entities.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as a 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 – INCREASE OF AGGREGATE AMOUNT PAYABLE TO NON-EXECUTIVE DIRECTORS

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

*“That, for the purposes of ASX Listing Rule 10.17, Clause 7.5 of the Company's Constitution and for all other purposes, the maximum aggregate amount payable to Non-Executive Directors be increased by \$500,000 to \$800,000.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by all Directors and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A person appointed as a proxy must not vote, on the basis of that appointment of this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**



**BENJAMIN BELL**

**DIRECTOR**

**23 APRIL 2018**

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## EXPLANATORY STATEMENT

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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.

Unless stated otherwise, information concerning the number of Shares on issue, market capitalisation and Share price are as at the date of the Notice of Meeting.

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### RESOLUTION 1 - APPROVAL TO ISSUE SECURITIES

#### 1.1 Background

As stated in the ASX announcement dated 19 February 2018, the Company has entered into the Agreement with SK Innovation. A condition to the Agreement is the issue of the Options to SK Innovation, which is subject to Shareholder approval. Resolution 1 seeks that approval.

If exercised the Options will allow SK Innovation to become Australian Mines' largest shareholder with up to 19.99% of Australian Mines' ordinary shares at 12 cents per share at the date of this Notice of Meeting, being 669,000,000 shares. The issue will cement the partnership between Australian Mines and SK Innovation.

If the resolution is approved, Shareholders will also approve the issue of Shares on conversion of the Options at any time allowed by the Option Deed. On this basis, any Shares issued on conversion of the Options may be issued at any time during the life of the Options pursuant to listing rule 7.2 exception 4.

If Shareholders do not approve the issue of the Options, a condition to the Agreement will not be met.

Shareholders should read the announcement dated 19 February 2018 in full before voting on this resolution.

#### 1.2 Terms of Agreement

The Agreement requires SK Innovation to take 100% of the expected cobalt sulphate and nickel sulphate production from the Sconi Project for an initial period of 7 years, with an option exercisable by SK Innovation to extend this commodity supply agreement for a further 6 years.

As with any new mine, production at the Sconi Project will be scaled-up during the first three years of the Agreement. The scaled-up quantities of the offtake volumes SK Innovation must take under the Agreement is 12,000 tonnes per year of cobalt sulphate and 60,000 tonnes per year of nickel sulphate, with the sale prices linked to the corresponding London Metal Exchange (LME) cobalt and nickel metals price. SK Innovation will be entitled to a modest commercial-in-confidence buyer discount on the base price, provided it exercises the Options.

The offtake is subject to an ongoing, industry-standard offtake condition for each shipment during the life of the offtake that the specifications of the products contained within each shipment of cobalt sulphate and nickel sulphate received by SK Innovation from Australian Mines' operations are validated to be within agreed specifications and tolerances.

Apart from the issue of the Options, the conditions precedent contained in the Agreement, which are very much consistent with the resource industry's normal commodity off-take / sale agreements, are:

- Execution of the final long-form agreement; and
- Australian Mines obtaining financing for the development and construction of the Sconi Project before 31 December 2018 (or such later date as SK innovation and Australian Mines may agree), and that mining commences before 31 December 2020 (or such later date as both the Buyer and Seller may agree). The Company considers that the financing and mining commencement timelines stipulated in the conditions precedent are comfortably within the project development timelines being pursued by Australian Mines prior to the agreement.

#### 1.3 SK Innovation

SK Innovation started as the Korea Oil Corporation, the first refining and chemical company in the country, which was integral to Korea's economic development. The Company has grown into a global energy and chemical company, expanding into the future energy sector alongside its traditional fields of petroleum production, refining, chemicals and lubricants. SK Innovation has partnerships with global automotive manufacturers to develop and apply electric vehicle battery technology world-wide.

SK Innovation's battery manufacturing technology is widely used in its home market of Korea, with mass global vehicle manufacturer Kia Motors Corp using specially engineered NMC (nickel-cobalt-manganese) lithium-ion polymer battery cells supplied by SK Innovation in its EVs. The battery pack, featuring a high energy density, was the result of a three-year joint development program between Kia and SK Innovation.

SK Innovation is also due to bring its second South Korean-based electric vehicle lithium-ion battery production facility<sup>12</sup> online in 2018, lifting total production capacity within its home market from 1 to 4 gigawatt-hours (GWh) a year.

Shareholders should refer to the document headed Introduction to SK Innovation – AUZ's partner in Sconi Project in the Investors tab at the Company's website – [www.australianmines.com.au](http://www.australianmines.com.au).

SKI's parent SK Holdings is the 57<sup>th</sup> largest corporation in the world and the biggest telecommunications company in Korea.

#### 1.4 Terms of the Options

Material terms of the Options are as follows:

<b>No of options</b>	669,000,000 allowing SK innovation to acquire 1 Share per Option
<b>Exercise price</b>	\$0.12 per Option
<b>Term</b>	Options to be issued following Shareholder approval. If not exercised, Options will expire three months after the date of delivery of Sconi Project Bankable Feasibility Study by Australian Mines, expected by 30 June 2018, or on 31 December 2018, whichever occurs first.

The Company notes that in the 12 months preceding this Notice of Meeting the Company's Shares have traded in the range of \$0.011 to \$0.155.

Further terms are set out in Annexure 1.

#### 1.5 Impact on capital structure

The impact on the capital structure of conversion of the Options depends on the number of Options converted and the number of Shares on issue at the time of conversion.

The Company has provided the following information on impact on capital structure.

(a) 50% conversion

No of Shares on issue	2,677,803,672
No of Shares issued on conversion	334,500,000
Expanded capital	3,012,303,672
% of expanded capital	11.1

(b) 100% conversion

No of Shares on issue	2,677,803,672
No of Shares issued on conversion	669,000,000
Expanded capital	3,346,803,672
% of expanded capital	19.9

Australian Mines notes that SK Holdings is not a related party to the Company, and will not gain a controlling interest in the Company on conversion of the Options.

#### 1.6 Listing Rule requirements for Resolution 1

ASX Listing Rule 7.3 lists the information to be include in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. That information is:

- (a) The maximum number of securities to be issued – 669,000,000 Options;
- (b) The date by which the securities will be issued – the Options will be issued within 3 months of the date of this meeting or such later date as permitted by ASX, and must be exercised within the timeframe set out in section 1.4.
- (c) The issue price of the securities – nil. Each Option can be converted into 1 Share at \$0.12 per Share.
- (d) The names of the persons to whom the securities have been issued – SK Innovation or Nominee.
- (e) The terms of the securities – see section 1.4.

- (f) The intended use of the funds raised – no funds will be raised by the issue of the Options. Funds raised when the Options be exercised will be used to fund the initial construction phase of the full-scale processing plant at the Sconi Project, including the purchase of longer lead-time components such as the autoclave vessels.
- (g) The issue date - see 1.6(b). Options will be issued in one tranche, and are exercisable at one time or progressively in parcels of at least 5,000,000 at any time before they expire as set out in section 1.4
- (h) A voting exclusion statement - This information is set out in the Notice of Meeting.

## 1.7 Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 1. The Options if exercised will both raise significant funds for the Company and cement the partnership with SK Innovation.

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## RESOLUTION 2 - RATIFICATION OF ISSUE OF SECURITIES

### 2.1 Background

On 6 November 2017 the Company announced a placement of Shares to raise \$20.0m (**Placement**). In total 235,294,118 fully-paid ordinary shares at an issue price of \$0.085 per share

As set out in the announcement, the Placement was carried out to provide funding for:

- continued trial mining and sample production from its Sconi CobaltNickel-Scandium Project in Queensland;
- completion of the Sconi Project's Bankable Feasibility Study; and,
- accelerated resource expansion drilling at the Company's Flemington Cobalt- Scandium-Nickel Project in New South Wales.

Under ASX Listing Rule 7.1, the Board is allowed to issue up to 15% of its issued capital without Shareholder approval each 12 months. Of the Shares issued, 87,610,596 Shares were issued under Listing Rule 7.1, the balance of 147,683,522 Shares being issued under Listing Rule 7.1A. Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of Listing Rule 7.1, and, if given, the effect of the ratification is to deem that the Shares issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% of the issued capital without Shareholder approval.

### 2.2 Terms of Securities

The Shares issued under the Placement are listed fully paid ordinary shares that rank pari passu with existing Shares issued by the Company.

### 2.3 Listing Rule requirements for Resolution 2

#### (a) ASX Listing Rule 7.4

As stated, Listing Rule 7.4 enables the Company to ratify an issue of securities made without prior Shareholder approval under Listing Rule 7.1 and 7.1A if:

- i. the issue of Shares did not breach Listing Rule 7.1; and
- ii. Shareholders subsequently approve the issue of those securities by the Company.

The Shares issued under the Placement did not breach Listing Rule 7.1.

#### (b) ASX Listing Rule 7.5

ASX Listing Rule 7.5 lists information which must be contained in the Notice of General Meeting and Explanatory Statement where Shareholders will consider a resolution pursuant to ASX Listing Rule 7.4. This information is set out below:

- i. The number of securities allotted – 87,610,596.
- ii. The issue price of the securities – Shares were issued for \$0.085 per Share.
- iii. The basis on which the allottees were determined – Shares under the Placement were issued to investors introduced through Arlington Group Asset Management Limited and Argonaut Securities Pty Ltd. None of the allottees are related parties of the Company.
- iv. The terms of the securities – Placement Shares are fully paid ordinary shares in the Company and rank pari passu with other fully paid ordinary shares on issue.

- v. The use or intended use of the funds raised – Funds raised under the Placement were used to pay the cash component of the acquisition costs to acquire 100% of the Sconi Project, as announced on the ASX on 6 September 2017.
- vi. A voting exclusion statement - This information is set out in the Notice of Meeting.

## 2.4 Recommendation of directors

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

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## RESOLUTION 3 - APPROVAL TO ISSUE SECURITIES

### 3.1 Background

As announced to the ASX on 6 September 2017 and 8 December 2017, the Company has entered into and completed an agreement with Metallica to acquire all of Metallica's interest in the Sconi Cobalt-Nickel-Scandium Project (**Sconi Project**) located in Qld, so that Australian Mines now owns 100% of that Project.

Part consideration for the acquisition included the issue of the Acquisition Shares on the earlier of completion of the Bankable Feasibility Study for the Sconi Project or 30 June 2018. This resolution seeks approval to issue the Acquisition Shares.

Other consideration paid and payable was:

- a one-off cash payment of \$3.5 million to Metallica Minerals, which has been paid; and
- a final issue of \$5 million of Australian Mines shares (or cash) to Metallica upon commercial production from Sconi (being production from the full-scale processing operation outlined in the Bankable Feasibility Study).

As stated, this resolution concerns the Acquisition Shares (being \$1.5m of Shares). It does not concern the one off cash payment or the \$5m payment referred to above.

### 3.2 Rationale for the issue of the Acquisition Shares

The acquisition was entered into to give Australian Mines full control of both the Sconi Project and its Flemington Project. At the time this put Australian Mines in a good position to continue its already advanced off-take discussions with international battery and vehicle manufacturers on the basis of selling 100% of the expected output from any future mining operations.

The outcome of obtaining 100% control of the Sconi Project was the Agreement referred to in item 1 above. The aims of controlling and owning 100% of the Sconi Project have therefore been met.

### 3.3 Impact on capital structure

There are currently 2,677,803,672 ordinary shares on issue. Assuming an issue price of \$0.10 per Acquisition Share (being the Share price at the date of this Notice of Meeting), a total of 15,000,000 shares would be issued, being just over 0.5% of the issued capital of the Company. The impact on the capital structure will therefore be immaterial.

### 3.4 Listing Rule requirements for Resolution 1

ASX Listing Rule 7.3 lists the information to be include in a Notice of Meeting seeking permission to issue securities in excess of the 15% allowance in Listing Rule 7.1. That information is:

- (a) The maximum number of securities to be issued or the formula for calculating the number of securities – the Company will issue \$1.5m of ordinary fully paid shares in Australian Mines using a deemed issue price equal to the volume weighted average price of AUZ shares for the 30 trading days prior to the date of issue. For example:

Share price	No of Shares to be issued
\$0.08	18,750,000
\$0.11	13,636,363
\$0.14	10,714,285

- (b) The date by which the securities will be issued – the securities must be issued on the earlier of completion of the Bankable Feasibility Study for the Sconi Project or 30 June 2018.
- (c) The issue price of the securities – the Company will issue \$1.5m of ordinary fully paid shares in Australian Mines using a deemed issue price equal to the volume weighted average price of AUZ shares for the 30 trading days prior to the date of issue.



- (d) The names of the persons to whom the securities have been issued – Metallica.
- (e) The terms of the securities – fully paid ordinary shares.
- (f) The intended use of the funds raised – part consideration for Metallica's interest in the Sconi Project.
- (g) The issue date - see 3.4(b). The Shares will be issued on one day.
- (h) A voting exclusion statement - This information is set out in the Notice of Meeting.

### 3.5 Recommendation of directors

All Directors recommend that Shareholders vote in favour of Resolution 3 for the reasons in section 3.2.

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## 4. RESOLUTION 4– INCREASE OF AGGREGATE AMOUNT PAYABLE TO DIRECTORS

### 4.1 Background

The Directors propose, subject to Shareholder approval as required by ASX Listing Rule 10.17 and clause 7.5 of the Company's Constitution, to increase the maximum aggregate fees payable to Non-Executive Directors from \$500,000 per year to \$800,000 per year.

The Company last increased this aggregate amount by \$100,000 to \$500,000 at the 2017 AGM held on 15 November 2017.

The Directors wish to increase the maximum aggregate amount that could be paid as the Company is rapidly expanding from being a mining exploration company to becoming a mining production company. This will involve a significant increase in the size, complexity and scope of the Company's operations, and it may be necessary to appoint new directors with different skill sets to complement the current Board. As such, the Board is likely to appoint at least two directors over the next 12 months.

An increase in the maximum aggregate amount will enable the Company to attract quality candidates as Non-Executive Directors, and to increase Director fees to retain Non-Executive Directors whose responsibilities may increase as a result of the expansion of the Company's operations.

The Board has sought and will continue to seek independent advice concerning Director remuneration and structure advice to ensure the Company attracts and retains the right non-executive talent.

### 4.2 Other information

Securities issued to Directors with Shareholder approval under ASX Listing Rule 10.11 or 10.14 during the last three years are Shares issued under the Loan Share Plan set out in section 5.3 of the Explanatory Statement for the 2017 Annual General Meeting as follows:

Name	Number Shares	Amount paid per share
Benjamin Bell	40,600,000	\$0.11626
Michael Ramsden	8,600,000	\$0.11626
Michael Elias	5,200,000	\$0.11626
Dominic Marinelli	5,200,000	\$0.11626

Fees paid to Non Executive directors for the 2017 Financial Year are set out on page 18 of the Company's 2017 Annual Report.

### 4.3 Recommendation of directors

All Directors have an interest in this resolution and decline to make a recommendation. They will also abstain from voting in relation to it as set out in the Voting Exclusion statement in the Notice of Meeting.

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## Glossary

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**\$** means Australian dollars.

**Acquisition Shares** means \$1.5m of ordinary fully paid shares in Australian Mines using a deemed issue price equal to the volume weighted average price of AUZ shares for the 30 trading days prior to the date of issue.

**Agreement** means the binding offtake agreement between the Company and SK Innovation subject to the Terms Sheet announced to ASX on 19 February 2018.

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

**ASX** means ASX Limited.

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

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

**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 chair of the Meeting.

**Company** means Australian Mines Limited (ACN 073 914 191).

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

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

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

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

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

**Melbourne, Australia time** means Australian Eastern Time as observed in Melbourne, Victoria.

**Metallica** means Metallica Minerals Limited ABN: 45 076 696 092.

**Nominee** means an entity nominated by SK Innovation that must be a subsidiary of SK Innovation or SK Holdings.

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

**Option(s)** means the options to be issued to SK Innovation as set out in paragraph 1.1 of the Explanatory Statement.

**Option Deed** means the Deed concerning the issue of the Options to be entered into following Shareholder approval of the Options.

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

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

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

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

**SK Holdings** means SK Holdings Co. Ltd. 26, Jong-ro, Jongno-gu Seoul, Korea

**SK Innovation** means SK Innovation Co. Ltd. 26, Jong-ro, Jongno-gu, Seoul, Korea.

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## Annexure A – Additional Terms and Conditions of Options

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Each option ('Option') shall entitle the holder of the Option ('Option Holder') to subscribe for and be allotted one fully paid ordinary share ('Share') in Australian Mines Limited ('Company') on the terms and conditions set out below. Options are issued subject at all times to the Rules set out below:

1. Each Option is exercisable at any time from the date of vesting to a date up to and including the lapse date as set out in the Option Certificate ('Option Period') and if the Option is not exercised on or prior to the expiry of the Option Period, the Option shall automatically lapse.
2. The Options may be exercised wholly or in part by giving notice in writing ('Notice of Exercise') to the board at any time during the Option Period. The minimum parcel of Options that must be exercised is 500,000 Options.
3. Within 3 business days of the exercise of the Option the Company shall apply for the shares to be admitted for quotation on the Official List of Australian Stock Exchange.
4. The exercise price for the Options is the amount shown on the Option Certificate ('Exercise Price') and is payable immediately on exercise in Immediately Available Funds.
5. On receipt by the Company of the Notice of Exercise and payment of the relevant Exercise Price, the Company must, within 3 business days, issue, or cause to be issued, to the Optionholder a holding statement for the Relevant Number of Shares and, if applicable, issue a replacement Option Certificate to the Optionholder for the balance of any unexercised Options.
6. Until the Option Expiry Date for so long as the Optionholder holds any unexercised Options, the Company will give the Optionholder notice of all general meetings of the Company and of all resolutions to be considered at those meetings and all other statements, notices, annual reports or circulars at the same time the shareholders of the Company are issued with those notices.
7. Shares issued on the exercise of any Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the Company and will be subject to the provisions of the Constitution.
8. An Option does not confer rights to participate in new issues of securities of the Company, unless the Option Holder has first exercised the Option.
9. If, before exercise or expiry of the Options, the Company implements a reorganisation of its capital:
  - (a) the Options must be treated in the manner required by the ASX Listing Rules;
  - (b) the Company must notify the Optionholder of any proposed variation to the terms of Options no less than 5 Business Days prior to the date of variation; and
  - (c) the Company must provide confirmation to the Optionholder immediately after the date of variation that the terms of the Options have been varied as proposed.
10. If there is a Bonus Issue to holders of Shares, the number of Shares over which an Option is exercisable is increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the Record Date for the Bonus Issue
11. Until the Option Expiry Date, the Company must ensure that the Optionholder is given at least 5 Business Days written notice prior to the Record Date in relation to any Pro-Rata Issue of shares or rights to subscribe for shares issued or to be issued by the Company (**Additional Rights**).
12. At the time any Shares are issued upon the exercise of an Option, the Company will:
  - (a) apply to ASX for official quotation of the Shares as soon as practicable, and in any event within 3 Business Days after the date that the Shares are issued;
  - (b) procure that the relevant ASIC and ASX forms are lodged to reflect the issue of the Shares, including a notice under section 708A(5)(e) of the Corporations Act in accordance with sub-clause 17(c) below; and
  - (c) give to the ASX a notice under section 708A(5) of the Corporations Act on the day following the issue of Shares on exercise of the Option unless it cannot meet the criteria in "case 1" of section 708A of the Corporations Act in which case:
    - (i) the Company will comply with the criteria in "case 2" of section 708A of the Corporations Act and issue a disclosure document under chapter 6D.2 of the Corporations Act as soon

as reasonably practicable after the date of exercise of the Option and in any event within 20 Business Days of that date; and

- (ii) until the Company has issued the disclosure document under clause 17(c)(i), the Optionholder will only transfer the relevant Shares to a person that comes within section 708(8), (10) or (11) of the Corporations Act.

13. If an offer for the shares is made to shareholders of the Company pursuant to a scheme of arrangement which has been approved in accordance with Corporations Act, Option Holders will be entitled to exercise Options held by them within the period notified by the Company.
14. The Options are not transferable.
15. Notices may be given by the Company to the Option Holder in the manner prescribed by the constitution of the Company for the giving of notices to the Shareholders of the Company and the relevant provisions of the constitution will apply with all necessary modification to notices to be given to Option Holders.

**LODGE YOUR VOTE ONLINE**



**ONLINE VOTE**

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



**MOBILE DEVICE VOTE**

Lodge your proxy by scanning the QR code below, and enter your registered postcode. It is a fast, convenient and a secure way to lodge your vote.



**2018 GENERAL MEETING - VOTING/PROXY FORM**

I/We being shareholder(s) of Australian Mines Limited and entitled to attend and vote hereby:

STEP 1

**APPOINT A PROXY**

The Chairman of the meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held at Royal South Yarra Lawn Tennis Club, 310 Williams Road North, Toorak, Victoria on 30 May 2018 at 12.00 pm Melbourne, Australia time and at any adjournment or postponement of that Meeting.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

STEP 2

**VOTING DIRECTIONS**

**Agenda Items**

		For	Against	Abstain*
1	Approval to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval to Issue Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Increase of Aggregate Amount Payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* 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.

STEP 3

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares 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 they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chairman may vote as he sees fit on that item.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two 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 telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares 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; and
- Return both forms together.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR VOTE

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 12.00 pm Melbourne, Australia time on 28 May 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE VOTE

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033