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## GENESIS MINERALS LIMITED

ACN 124 772 041

### NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

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**TIME:** 11.00am (WST)

**DATE:** 30 November 2017

**PLACE:** London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth,  
Western Australia

*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 on (+61 8) 9322 6178.*

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**CONTENTS PAGE**

---

Notice of Annual General Meeting	3
Explanatory Statement	7
Glossary	22

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of Shareholders to which this Notice of Meeting relates will be held at 11.00am (WST) on 30 November 2017 at:

London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the 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:

- (a) post to Genesis Minerals Limited, PO Box 937, West Perth, WA 6872; or
- (b) email to [gjames@genesisminerals.com.au](mailto:gjames@genesisminerals.com.au),

so that it is received not later than 11.00am (WST) on 28 November 2017.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 11.00am (WST) on 30 November 2017 at the London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered as Shareholders at 5.00 pm (WST) on 28 November 2017.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the Directors and the auditor for the financial year ended 30 June 2017.

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#### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2017 be adopted”.*

**Short Explanation:** The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** Subject to the below, a vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy validly appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If you appoint the Chair as your proxy, the Company encourages you to direct the Chair how to vote on this advisory Resolution. The Chair, as one of the Key Management Personnel, is not permitted to cast any votes in respect of this advisory Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chair to do so.

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### 3. RESOLUTION 2 – ELECTION OF CRAIG BRADSHAW AS A DIRECTOR

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

*“That, Mr Craig Bradshaw, a director of the Company who was appointed on 7 September 2017, and in accordance with the Constitution and for all other purposes, retires and offers himself for election, be elected as a Director”.*

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### 4. RESOLUTION 3 – RE-ELECTION OF DARREN GORDON AS A DIRECTOR

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

*“That, Mr Darren Gordon, a director of the Company who retires in accordance with the Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a Director”.*

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### 5. RESOLUTION 4 – RATIFICATION OF SHARES ISSUED AS CONSIDERATION FOR ACQUISITION OF METALLO RESOURCES PTY LTD

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 11,363,636 fully paid ordinary shares in the capital of the Company at \$0.022 each to the vendors of Metallo Resources Pty Ltd, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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### 6. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO MICHAEL FOWLER

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

*“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue 8,400,000 options to subscribe for fully paid ordinary shares in the Company to Mr Michael Fowler (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by Mr Michael Fowler (or his nominee) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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### 7. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO RICHARD HILL

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

*“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue 2,800,000 options to subscribe for fully paid ordinary shares in the Company to Mr Richard Hill (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by Mr Richard Hill (or his nominee) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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**8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS TO DARREN GORDON**

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

*“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue 2,800,000 options to subscribe for fully paid ordinary shares in the Company to Mr Darren Gordon (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by Mr Darren Gordon (or his nominee) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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**9. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO CRAIG BRADSHAW**

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

*“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue 2,800,000 options to subscribe for fully paid ordinary shares in the Company to Mr Craig Bradshaw (or his nominee), on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by Mr Craig Bradshaw (or his nominee) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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**10. RESOLUTION 9 – APPROVAL OF ISSUE OF SECURITIES UNDER EMPLOYEE EQUITY INCENTIVE PLAN**

To consider and, if thought fit, to pass the following resolution 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 issue of securities validly made under the Employee Equity Incentive Plan for Eligible Employees known as the “Genesis Minerals Employee Equity Incentive Plan 2017”, a summary of the rules of which are set out in the Explanatory Statement accompanying this Notice of Meeting, as an exception to Listing Rule 7.1.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by a director of the Company and any person who is an associate of those persons (except one who is ineligible to participate in any employee incentive scheme of the Company). However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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**11. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

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

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed, and any associates of such a person.

However, the Company will not disregard a vote if:

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

(b) it is cast by the Chair 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.

**Important note:** The proposed allottees of any Equity Securities under this 10% placement facility are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case for any Equity Securities issued under this 10% placement facility), Shareholders must consider the proposal on the basis they may or may not get a benefit and it is possible their holding will be diluted, and there is no reason to exclude their votes.

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**DATED: 18 OCTOBER 2017**

**BY ORDER OF THE BOARD**

  
A handwritten signature in blue ink that reads "G. A. James". The signature is written in a cursive style and is positioned above a horizontal line.

**GEOFF JAMES**  
**COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.00am (WST) on 30 November 2017 at the London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. ANNUAL REPORT**

Section 317 of the Corporations Act requires the reports of the Directors and of the auditors and the Annual Report, including the financial statements, to be put before the Annual General Meeting. The Constitution also provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given a reasonable opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2017 Annual Report is available at [www.genesisminerals.com.au](http://www.genesisminerals.com.au). Those Shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting or alternatively it will be mailed separately to you.

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### **2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT**

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2017.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Board or the Company. However, the Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election. Voting on this resolution will be determined by a poll at the meeting rather than a show of hands and, if it is passed, the additional meeting must be held within 90 days to determine whether or not each of those Directors is re-elected.

The Remuneration Report for the year ended 30 June 2016 did not receive a vote of more than 25% against its adoption at the Company's last annual general meeting held on 30 November 2016. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, it will not result in the Company putting a spill resolution to Shareholders.

### **Undirected proxies**

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you will be deemed to have provided the Chair with an express authorisation to vote the proxy in accordance with the Chair's intention.

Any undirected proxies held by any other Key Management Personnel or any of their Closely Related Parties will not be voted on this resolution.

The Remuneration Report identifies the Key Management Personnel for the financial year to 30 June 2017.

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### **3. RESOLUTION 2 – ELECTION OF CRAIG BRADSHAW AS A DIRECTOR**

Mr Craig Bradshaw was appointed as a Non-Executive Director by the Board on 7 September 2017. In accordance with the Company's Constitution, a Director appointed by the Board holds office until the next Annual General Meeting, at which time he must retire and is then eligible for election at that Annual General Meeting. Mr Bradshaw seeks election as a Director on this basis.

Mr Bradshaw is a mining engineer with more than 22 years' Australian and international experience in the mining industry. During his career, he has held numerous senior operational and executive roles with a range of companies and spanning several different commodities. He was Chief Operating Officer for Saracen Mineral Holdings, a leading mid-tier gold producer, from 2013 to 2017. Prior to joining Saracen, Mr Bradshaw was Chief Operating Officer for Inter Mining and Navigator Resources, Operations Manager at St Ives Gold Mines for Gold Fields Australia, Mining Manager for Albidon at the Munali Nickel Project in Zambia and Chief Operating Officer for Fox Resources. He also worked for WMC Limited at the Perseverance Nickel Mine and Leinster Nickel Operations. He is currently the CEO of Adaman Resources, a privately owned resource investment company.

The Board (with the exception of Mr Bradshaw) recommends that Shareholders vote in favour of Resolution 2.

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### **4. RESOLUTION 3 – RE-ELECTION OF DARREN GORDON AS A DIRECTOR**

Listing Rule 14.4 and the Company's Constitution provide that a re-election of Directors must be held at each Annual General Meeting. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment, or who have been longest in office since their appointment or last re-appointment, or if the Directors have been in office for an equal length of time, by agreement. Mr Darren Gordon, Non-Executive Director, retires from office in accordance with these requirements and, being eligible, offers himself for re-election by Shareholders as a Director, with effect from the end of the Annual General Meeting.

Mr Gordon is a Chartered Accountant with more than 20 years' experience in the Australian and international resource sector, having held senior financial, corporate and executive roles with a number of ASX-listed exploration and mining companies. During his career he has been involved in the acquisition, financing, development and operation of iron ore, precious metal and base metal projects in Australia and Brazil. Mr Gordon is currently Managing Director of Centaurus Metals Limited, a position he has held for the past 8 years. Prior to joining Centaurus, Mr Gordon was CFO of Gindalbie Metals Limited.

The Board (with the exception of Mr Gordon) recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – RATIFICATION OF SHARES ISSUED AS CONSIDERATION FOR ACQUISITION OF METALLO RESOURCES PTY LTD**

#### **5.1 Background**

As announced on 19 September 2017, in consideration of the acquisition of Metallo Resources Pty Ltd ("**Metallo**"), the Company issued \$250,000 worth of Shares (comprising 11,363,636 Shares at \$0.022 per Share) to the vendors of Metallo. Metallo holds the right to earn-in to an initial 65% interest in the Barimaia Gold Project (the Mt Magnet JV), with the potential to earn up to a maximum 80% stake. The Shares were issued under Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification of the issue of the Shares to the vendors of Metallo.

## 5.2 ASX Listing Rule 7.1

Subject to certain exceptions, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new securities, or other securities with rights of conversion to equity (such as options), in any 12 month period which amount to more than 15% of the company's ordinary securities on issue without shareholder approval.

## 5.3 ASX Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1. The Company confirms the issue of the Shares to the vendors of Metallo the subject of Resolution 4 did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Shares issued to the vendors of Metallo the subject of Resolution 4 pursuant to Listing Rule 7.4, in order to restore its ability to issue securities under Listing Rule 7.1 to the extent of the number of Shares the subject of the ratification.

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

- (a) on 19 September 2017 the Company issued a total of 11,363,636 fully paid ordinary shares;
- (b) the Shares were issued at a price of \$0.022 each;
- (c) the Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the Shares were issued to the vendors of Metallo Resources Pty Ltd, none of whom were related parties of the Company;
- (e) no capital was raised by the issue of the Shares because the issue was made in consideration of the acquisition of Metallo; and
- (f) A voting exclusion statement has been included in the Notice for the purposes of Resolution 4.

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

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## 6. RESOLUTIONS 5, 6, 7 AND 8 – APPROVAL TO ISSUE OPTIONS TO RELATED PARTIES

### 6.1 Background

Resolutions 5, 6, 7, and 8 seek Shareholder approval in accordance with Listing Rule 10.11 and section 208 of the Corporations Act for the issue of Options to the Directors of the Company.

The Options are intended to be issued to the Managing Director (Mr Fowler) and to three non-executive Directors (Messrs Hill, Gordon and Bradshaw).

Details of the exercise price, vesting and expiry dates of the Options are as follows:

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
1	4,800,000	Note (i)	Vest on issue date	24 months after issue date
2	4,800,000	Note (i)	Vest 12 months after issue date	36 months after issue date
3	7,200,000	Note (i)	Vest 24 months after issue date	48 months after issue date
<b>Total</b>	<b>16,800,000</b>			

**Note (i):** The exercise price of the Options will be equal to 40% (Tranche 1), 50% (Tranche 2) and 60% (Tranche 3) premiums to the VWAP of Shares on ASX for the 30 Trading Days prior to the date of issue.

The purpose of the issue of the Options is to allow the Company to provide a cost effective incentive for the ongoing dedication and efforts of the Directors and to align the interests of Directors with increases in the Company's share price. The Options will generally only be of benefit if the Directors perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Options. The exercise prices of the Options have been set to ensure the Options will only be exercised if strong Shareholder returns have been delivered.

With regard to the issue of Options to non-executive Directors, the Board considers the issue of Options to be reasonable in the circumstances, to assist the Company in retaining the highest calibre of suitably qualified non-executive Directors for the Company, whilst maintaining the Company's cash reserves. The issue of the Options allows the Company to keep cash remuneration levels at modest levels for the non-executive Directors.

With regard to the issue of Options to the Managing Director, the non-executive Directors believe that the grant of Options will encourage Mr Fowler to have a strong involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership.

Under the Company's current circumstances it is considered that the incentives represented by the grant of Options are a cost effective and efficient means for the Company to provide a reward and an incentive, whilst keeping Mr Fowler's cash remuneration at modest levels.

The Company's executive team is not large and Mr Fowler is being asked to undertake significant work commitments during the next important growth phase for the Company.

It is believed that the proposed Option issue to Mr Fowler will assist to motivate Mr Fowler above what might be considered normal effort, and reward success where the Company has delivered increased Shareholder returns over a sustained period.

## 6.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of any securities (including Options) to a related party of the Company.

If Resolutions 5, 6, 7, and 8 are passed, Options will be issued to the Directors, all of whom are related parties by virtue of being directors of the Company. Accordingly, approval for the issue of Options is required pursuant to ASX Listing Rule 10.11 in each case.

Approval pursuant to ASX Listing Rule 7.1 is not required in respect of the Options the subject of Resolutions 5, 6, 7, and 8 as approval is being sought under ASX Listing Rule 10.11 (and where approval is given under Listing Rule 10.11, it is not separately required under Listing Rule 7.1). Shareholders should note that the issue of the Options (the subject of Resolutions 5 to 8) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

## 6.3 ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 5, 6, 7, and 8:

- (a) the options will be granted to the following persons:
- Resolution 5 - Mr Michael Fowler (or his nominee);
  - Resolution 6 - Mr Richard Hill (or his nominee);
  - Resolution 7 - Mr Darren Gordon (or his nominee); and
  - Resolution 8 - Mr Craig Bradshaw (or his nominee).
- (b) details of the maximum number of Options that may be issued by the Company under each Resolution are as follows:

	<b>Allottee</b>	<b>Position</b>	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Total</b>
Resolution 5	Mr Michael Fowler (or his nominee)	Managing Director	2,400,000	2,400,000	3,600,000	8,400,000
Resolution 6	Mr Richard Hill (or his nominee)	Non-Executive Chairman	800,000	800,000	1,200,000	2,800,000
Resolution 7	Mr Darren Gordon (or his nominee)	Non-Executive Director	800,000	800,000	1,200,000	2,800,000
Resolution 8	Mr Craig Bradshaw (or his nominee)	Non-Executive Director	800,000	800,000	1,200,000	2,800,000
<b>Total</b>			<b>4,800,000</b>	<b>4,800,000</b>	<b>7,200,000</b>	<b>16,800,000</b>

- (c) the Options will be issued no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;
- (d) each allottee is a director of the Company and is therefore a Related Party of the Company;
- (e) the Options will be issued for nil consideration as they will be issued to provide an incentive for the Directors' prior and ongoing commitments and dedication to the continued growth of the Company. The Board considers the issue of Options to be reasonable in the circumstances, to assist the Company in attracting and retaining the highest calibre of directors to the Company, whilst maintaining the Company's cash reserves;
- (f) the Options will otherwise be issued on the terms and conditions set out in section 6.5 of this Explanatory Statement;
- (g) no funds will be raised by the issue of the Options, although funds will be raised to the extent that the Options are eventually exercised. The precise amount raised in the event of exercise of the Options will depend on the number of Options eventually exercised and the exercise price for those Options; and
- (h) a voting exclusion statement is included in the Notice.

#### 6.4 Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to that section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

The issue of the Options to any of the Directors or their nominees constitutes a "financial benefit" as defined in the Corporations Act. Each Director is a "related party" of the Company.

It is the view of the Directors the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply in the current circumstances and so the Directors have resolved to seek Shareholder approval under section 208 of the Corporations Act to permit the grant of the Options.

The following information is provided pursuant to Chapter 2E of the Corporations Act in relation to Resolutions 5, 6, 7 and 8:

- (a) The related parties to whom the Options will be granted to are Messrs Michael Fowler, Richard Hill, Darren Gordon and Craig Bradshaw (or their respective nominees).
- (b) The nature of the financial benefit to be provided is the grant of Options, for no cash consideration, as set out in the table below:

Director	Number of Options
Mr Michael Fowler (or his nominee)	8,400,000
Mr Richard Hill (or his nominee)	2,800,000
Mr Darren Gordon (or his nominee)	2,800,000
Mr Craig Bradshaw (or his nominee)	2,800,000
<b>TOTAL</b>	<b>16,800,000</b>

- (c) The proposed grant of the Options to the Directors will be made pursuant to the terms and conditions set out in section 6.5 of this Explanatory Statement.
- (d) As at the date of the Notice, the capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	748,544,512
Options exercisable at 1.7 cents and expiring 22 December 2017	6,000,000

If Shareholders approve Resolutions 5, 6, 7 and 8, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	748,544,512
Options exercisable at 1.7 cents and expiring 22 December 2017	6,000,000
Options exercisable at various prices the subject of Resolutions 5, 6, 7 and 8	16,800,000

- (e) If Shareholders approve the grant of Options and all are ultimately exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 2.24% on an undiluted basis and based on the number of Shares on issue (as at the date of the Notice) assuming no existing Options are exercised and no other securities are issued by the Company in the meantime.
- (f) The primary purpose of the grant of the Options is to allow the Company to provide a cost effective incentive for the ongoing dedication and efforts of the Directors whilst directly aligning their long term interests with the strategic objectives of the Company. The number of Options to be issued has been determined based upon consideration of each Director's experience, the current market price of the Company's Shares and current market practice when determining the terms of the Options.
- (g) As at the date of this Notice, the Directors hold the following Shares and Options (directly or indirectly) in the Company:

Director	Number of Shares	Number of Options
Mr Michael Fowler	10,167,230	2,000,000 <sup>1</sup>
Mr Richard Hill	3,911,322	2,000,000 <sup>1</sup>
Mr Darren Gordon	5,839,657	-
Mr Craig Bradshaw	-	-

<sup>1</sup> Options exercisable at 1.7 cents and expiring 22 December 2017

- (h) As at the date of this Notice, the current level of Directors' fees per annum (including superannuation) are as follows:

Director	Annual Remuneration
Mr Michael Fowler	\$250,000
Mr Richard Hill	\$55,000
Mr Darren Gordon	\$32,850
Mr Craig Bradshaw	\$32,850

- (i) The Company has valued the Options to be granted using the Black-Scholes option pricing model based upon the following inputs and assumptions:
- Valuation date is 18 October 2017.
  - Number of Options is 16,800,000.
  - Share price at date of valuation is \$0.026.
  - Exercise price of \$0.0364 (Tranche 1), \$0.039 (Tranche 2) and \$0.0416 (Tranche 3) based on 40%, 50% and 60% premium to the 30 day VWAP as at the valuation date of \$0.026.
  - Expected life of the Options is 24 months (Tranche 1), 36 months (Tranche 2) and 48 months (Tranche 3).
  - Share price volatility of 100%.
  - Risk-free interest rate of 1.98% (Tranche 1), 2.12% (Tranche 2) and 2.24% (Tranche 3).
  - Dividend yield is nil.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their valuation. Having regard to the factors set out above, and using the Black - Scholes option pricing model, the value of the Options proposed to be issued is \$240,240 with details set out in the following table:

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	
<b>Number of Options in Tranche</b>	4,800,000	4,800,000	7,200,000	
<b>Exercise price per Option in Tranche</b>	\$0.0364 <sup>1</sup> 40% premium to 30 day VWAP	\$0.039 <sup>1</sup> 50% premium to 30 day VWAP	\$0.0416 <sup>1</sup> 60% premium to 30 day VWAP	
<b>Value per Option</b>	\$0.0117	\$0.0142	\$0.0161	
<b>Vesting date of Options in Tranche</b>	issue date	12 months after issue date	24 months after issue date	
<b>Expiry Date of Options in Tranche</b>	24 months after issue date	36 months after issue date	48 months after issue date	
<b>Director:</b>	<b>Tranche 1 Valuation held by Director (\$)</b>	<b>Tranche 2 Valuation held by Director (\$)</b>	<b>Tranche 3 Valuation held by Director (\$)</b>	<b>Total (\$)</b>
Mr Michael Fowler	\$28,080	\$34,080	\$57,960	\$120,120
Mr Richard Hill	\$9,360	\$11,360	\$19,320	\$40,040
Mr Darren Gordon	\$9,360	\$11,360	\$19,320	\$40,040
Mr Craig Bradshaw	\$9,360	\$11,360	\$19,320	\$40,040
<b>Total</b>	<b>\$56,160</b>	<b>\$68,160</b>	<b>\$115,920</b>	<b>\$240,240</b>

<sup>1</sup> The actual exercise price will be equal to 40% (Tranche 1), 50% (Tranche 2) and 60% (Tranche 3) premiums to the VWAP of Shares on ASX for the 30 Trading Days prior to the date of issue.

- (j) In the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on the ASX are as set out below:

	<b>Date</b>	<b>Price</b>
Highest	15 November 2016	\$0.032
Lowest	16 August 2017	\$0.014
Last Trading Price	18 October 2017	\$0.026

- (k) Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Options in its statement of financial performance for the current financial year.
- (l) Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options pursuant to Resolutions 5, 6, 7 and 8.
- (m) Michael Fowler declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board (other than Michael Fowler) 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 the Resolution.
- (n) Richard Hill declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Richard Hill) 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 the Resolution.
- (o) Darren Gordon declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Darren Gordon) 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 the Resolution.

- (p) Craig Bradshaw declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8. The Board (other than Craig Bradshaw) 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 the Resolution.

## 6.5 Terms and Conditions of the Options

The terms of issue of the Options are as follows:

- (a) Each Option entitles the holder to acquire one Share upon exercise of that Option.  
 (b) The amounts payable on exercise of the Options, the vesting and expiry dates are as follows:

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
1	4,800,000	Note (i)	Vest on issue date	24 months after issue date
2	4,800,000	Note (i)	Vest 12 months after issue date	36 months after issue date
3	7,200,000	Note (i)	Vest 24 months after issue date	48 months after issue date
<b>Total</b>	<b>16,800,000</b>			

**Note (i):** The exercise price of the Options will be equal to 40% (Tranche 1), 50% (Tranche 2) and 60% (Tranche 3) premiums to the VWAP of Shares on ASX for the 30 Trading Days prior to the date of issue.

- (c) On the occurrence of a change of control event in relation to the Company, all Options which have not yet vested will vest immediately. These events are defined as an unconditional takeover offer being made for Shares in the Company, any merger transaction or scheme of arrangement recommended by the Board for the Shares in the Company or a person, or a group of associated persons becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company.
- (d) Options may be issued to a permitted nominee of a Director. A permitted nominee is a third party nominated by the Director and approved by the Board in its absolute discretion.
- (e) Options that have vested may be exercised at any time prior to expiry by completing an Option exercise form and delivering it, together with the payment of the corresponding exercise price for the number of Shares for which the Options are exercised, to the registered office of the Company.
- (f) The Company shall as soon as practicable, and no later than within 15 Business Days of the exercise of the Options, allot the resultant Shares and take steps so that any offer of those Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act.
- (g) If an optionholder (or if the Options are issued to a permitted nominee, the person who nominated that permitted nominee) ceases to be a Director or an employee after an Option has vested and become exercisable, the Options may be exercised during the period of 3 months following that cessation or such longer period as the Board determines. Options not exercised within such period will automatically lapse.
- (h) All unvested Options immediately lapse if an optionholder (or if the Options are issued to a nominee, the person who nominated that nominee) ceases to be a Director or an employee, unless otherwise determined by the Board.
- (i) All unvested Options held by the Managing Director will vest immediately in the event of being made redundant.
- (j) All Shares issued upon exercise of the Options will, from the date they are issued, rank *pari passu* in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.

- (k) The optionholder will be entitled to participate in any new issue of securities to existing holders of Shares in the Company provided the optionholder has exercised their Options prior to the record date for determining entitlements.
- (l) The Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options.
- (m) Subject to paragraph (n), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.
- (n) On a reorganisation of the Company's capital, the rights of optionholders (including the number of Options and the exercise price) will be changed to the extent necessary to comply with the Listing Rules.
- (o) Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are transferable subject to the prior written approval of the Board in its absolute discretion. The Options will not be listed for quotation on the ASX.

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## **7. RESOLUTION 9 – APPROVAL OF ISSUE OF SECURITIES UNDER EMPLOYEE EQUITY INCENTIVE PLAN**

### **7.1 Background**

The Directors consider it desirable to establish an employee incentive scheme pursuant to which Directors, employees and certain consultants may be offered the opportunity to be granted Shares, Options or Performance Rights ("**Equity Incentives**") in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees, Directors and key consultants. Accordingly, the Directors have resolved to adopt an Employee Equity Incentive Plan ("**Plan**") that is consistent with ASIC Class Order CO 14/1000.

The Plan is designed to provide incentives to Eligible Employees (defined below) and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the issue of Equity Incentives to Eligible Employees is a cost effective and efficient means for the Company to provide incentive to these individuals, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

Resolution 9 seeks Shareholder approval for the issue of securities under the Plan pursuant to Listing Rule 7.2, Exception 9. Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of the Annual General Meeting (i.e. issues of Equity Incentives under the Plan will for a period of 3 years be excluded from the calculations in determining the number of securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1). Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

The Plan replaces the previous Employee Share Option Plan ("**Option Plan**") approved on 29 November 2010 which has now lapsed.

### **7.2 Listing Rule 7.2 – Summary of the Plan**

A summary of the main provisions of the Plan is set out below:

- (a) Only Eligible Employees may participate under the Plan. An Eligible Employee is defined as a full-time or part-time employee (including an executive director), a non-executive director, contractor or casual employee to the extent permitted by ASIC Class Order 14/1000.
- (b) The Board, in its sole and absolute discretion, may determine which Eligible Employees are entitled to participate in the Plan and the extent of that participation, including the number, issue price, vesting conditions, exercise price, term and all other conditions for Equity Incentives to be issued. However, under the Listing Rules, no Equity Incentives may be issued to a Director, whether under the Plan or otherwise, without prior Shareholder approval.

- (c) Offers made under the Plan in reliance on ASIC Class Order 14/1000 will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under the Plan or any other employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (d) For offers of Shares under the Plan, the Board will determine the voting rights, the entitlement to dividends and the entitlement to participate in new issues of Shares.
- (e) Options or Performance Rights do not confer on a participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (f) All Shares allotted upon exercise of Options and Performance Rights will rank equally in all respects with Shares previously issued. The Company will apply for official quotation of those Shares on ASX.
- (g) The Company will not apply for official quotation of any Options or Performance Rights.
- (h) Equity Incentives only vest if the applicable vesting conditions are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. The vesting conditions are determined prior to the granting of such Equity Incentives by the Company.
- (i) Vested Options and Performance Rights can only be exercised during the exercise period specified in the relevant invitation to participate in the Plan which relates to their grant. The exercise price per Share in respect of an Option granted pursuant to the Plan will be determined by the Board. Upon exercise, one Share in the Company will be issued to the Participant for each exercised Option or converted Performance Right.
- (j) Equity Incentives will lapse on the earlier to occur of:
  - (i) where vesting conditions have not been satisfied;
  - (ii) if a participant ceases employment with the Company (except in certain cases);
  - (iii) if the Board makes a determination that Equity Incentives lapse due to breach, fraud or misconduct;
  - (iv) if the Board makes a determination that Equity Incentives lapse due to a change of control in the Company; or
  - (vi) their applicable expiry date.
- (k) On the occurrence of a change of control event (as defined in the Plan, which includes an unconditional takeover offer, a court approved scheme of arrangement, or a person, or a group of associated persons becoming entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board; or gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company, the Board may in its sole and absolute discretion determine that all or a portion of unvested Equity Incentives will vest.
- (l) If the Company makes a bonus issue of Shares to Shareholders, the number of underlying Shares over which the Option or Performance Right is exercisable will be increased by the number of Shares that would have been received if the relevant Option or Performance Right had been exercised before the record date for the bonus issue. No adjustment will be made to the exercise price.
- (m) On a reorganisation of the Company's capital, the rights of participants will be changed to the extent necessary to comply with the Listing Rules.
- (n) The Board may terminate or suspend the Plan at any time without notice to participants.

### **7.3 Listing Rule 7.2 - Number of Securities Issued Under the Plan since Last Approval**

The Employee Equity Incentive Plan has not previously been approved by Shareholders. However, since the date of the last approval of the previous Option Plan on 29 November 2010, 1,350,000 Options were issued under the Option Plan, none were exercised and 1,350,000 lapsed.

### **7.4 Listing Rule 7.2 – Voting Exclusion Statement**

A voting exclusion statement has been included in the Notice for the purposes of Resolution 9.

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

### 8.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12 month period after the annual general meeting at which shareholder approval is obtained for the purposes of that Listing Rule (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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

The Company previously received Shareholder approval for the 10% Placement Facility at its previous annual general meeting held on 30 November 2016 and this approval will expire on 30 November 2017 (or earlier if Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2).

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

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The Directors believe that Resolution 10 is in the best interests of the Company because of the flexibility it provides the Company to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

### 8.2 Description of Listing Rule 7.1A

#### (a) Shareholder approval

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

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being Shares (ASX: GMD) and unlisted options.

#### (c) Formula for calculating 10% Placement Facility

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

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

**A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:

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

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

**D** is 10%

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

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

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

At the date of this Notice, the Company has on issue 748,544,512 Shares. If Resolution 10 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 99,213,495 Equity Securities under Listing Rule 7.1; and
- (ii) 73,718,088 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) above).

**(e) Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

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

**(f) 10% Placement Period**

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

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (10% Placement Period).

**8.3 Listing Rule 7.1A**

The effect of Resolution 10 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

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).

**8.4 Specific information required by Listing Rule 7.3A**

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

**(a) Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

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

**(b) Risk of economic and voting dilution**

If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

The 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 for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.013 50% decrease in Issue Price	\$0.026 Current Market/ Issue Price	\$0.039 50% increase in Issue Price
<b>Current Variable A</b> 748,544,512 Shares	<b>10% Voting Dilution</b>	74,854,451 shares	74,854,451 shares	74,854,451 shares
	<b>Funds raised</b>	\$973,108	\$1,946,216	\$2,919,324
<b>50% increase in current Variable A</b> 1,122,816,768 Shares	<b>10% Voting Dilution</b>	112,281,677 shares	112,281,677 shares	112,281,677 shares
	<b>Funds raised</b>	\$1,459,662	\$2,919,324	\$4,378,985
<b>100% increase in current Variable A</b> 1,497,089,024 Shares	<b>10% Voting Dilution</b>	149,708,902 shares	149,708,902 shares	149,708,902 shares
	<b>Funds raised</b>	\$1,946,216	\$3,892,431	\$5,838,647

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The current market price is \$0.026, being the closing price of the Shares on ASX on 18 October 2017.

**(c) Period within which the 10% Placement Facility can be implemented**

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 10 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose for which the 10% Placement Facility may be implemented**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration to raise funds for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

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

**(e) Allocation policy when the 10% Placement Facility may be implemented**

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

**(f) Details of Equity Securities Issued During Past 12 Months**

During the past 12 months prior to the date of the Annual General Meeting, and assuming no further issue of securities between the date of this Notice of Meeting and the date of the Annual General Meeting, the Company issued 11,363,636 Equity Securities representing 1.5% of the total number of Equity Securities on issue 12 months ago, being 30 November 2016. The following table sets out the details of the Equity Securities issued:

Issue Date	Number of Equity Securities Issued	Class of Equity Securities Issued	Names of Persons to Whom Issued Equity Securities	Issue Price	Closing Market Price at Issue Date	Discount to Closing Market Price on Issue Date	Cash Consideration
19/09/2017	11,363,636	Ordinary Shares	Note (i)	\$0.022	\$0.024	8.33%	Note (i)
<b>TOTAL</b>	<b>11,363,636</b>						

Note:

- (i) Issue of Shares to the vendors of Metallo Resources Pty Ltd to acquire 100% of the issued share capital of Metallo Resources Pty Ltd, the holder of the right to earn-in to an initial 65% interest in the Barimaia Gold Project (the Mt Magnet JV), with the potential to earn up to a maximum 80% stake as set out in the ASX announcement of 19 September 2017. The deemed issue price was \$0.022 per Share, valuing the Shares issued at \$250,000. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.026 per Share, is \$295,454. Shareholder ratification for the issue of these Shares is sought under Resolution 4 in the Notice.

**(g) Voting Exclusions**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2017 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting.

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## GLOSSARY

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\$ means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**Annual Report** means the annual report of the Company for the year ended 30 June 2017.

**ASX** means ASX Limited.

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

**Chair** means the chair of the Annual General 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 Genesis Minerals Limited (ACN 124 772 041).

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

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

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

**Directors' Report** means the report of the Directors contained in the Annual Report for the year ended 30 June 2017.

**Equity Securities** has the same meaning as in the Listing Rules.

**Eligible Employee** has the meaning given to that term under the Employee Equity Incentive Plan.

**Employee Equity Incentive Plan** means the plan the subject of Resolution 9 as summarised in this Explanatory Statement.

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

**Glossary** means this glossary.

**Key Management Personnel** has the same meaning as in the Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

**Managing Director** means the managing director of the Company.

**Metallo Resources Pty Ltd** means Metallo Resources Pty Ltd (ACN 166 635 178).

**Notice, Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting, including the Explanatory Statement.

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

**Performance Right** means a right to be issued a Share for no consideration upon the satisfaction of specified performance conditions.

**Related Party** is defined in section 228 of the Corporations Act.

**Remuneration Report** means the remuneration report in the Directors' Report section of the Company's Annual Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, 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.

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

**VWAP** means the volume weighted average trading price of the Shares on ASX.

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

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**PROXY FORM - GENESIS MINERALS LIMITED ACN 124 772 041**

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The Company Secretary  
Genesis Minerals Limited  
PO Box 937, West Perth WA 6872

Ph (+61 8) 9322 6178/gjames@genesisminerals.com.au

I/We being a member(s) of Genesis Minerals Limited and entitled to attend and vote at the Annual General Meeting, hereby appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chair of the Annual General Meeting as your proxy

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting of the Company to be held at 11.00am (WST), on 30 November 2017 at the London House Conference Room, Ground Floor, 216 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

**Important for Resolutions 1 and 5 - 9:**

**The Chair of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 5 - 9. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 and 5 - 9, you will be authorising the Chair to vote in accordance with the Chair's voting intentions on Resolutions 1 and 5 - 9 even if the Chair has an interest in Resolutions 1 and 5 - 9 which is connected directly with the remuneration of Key Management Personnel.**

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

**The Chair of the Meeting intends to vote all undirected proxies, which the Chair is entitled to vote, in favour of each item of business.**

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**Voting on Business of the General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Craig Bradshaw as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election of Darren Gordon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of Shares Issued as Consideration for Acquisition of Metallo Resources Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval to Issue Options to Michael Fowler	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval to Issue Options to Richard Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval to Issue Options to Darren Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval to Issue Options to Craig Bradshaw	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Approval of Issue of Securities under Employee Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**SIGNATURE OF SECURITYHOLDERS**

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

**Contact Name** \_\_\_\_\_

**Contact Telephone** \_\_\_\_\_

**Date** \_\_\_\_/\_\_\_\_/\_\_\_\_

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.
2. If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and 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 security holder of the Company. A proxy may be an individual or a body corporate.

If your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chair of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chair is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

3. You may direct your proxy how to vote by placing a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. 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 your vote on that item will be invalid.

If you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. 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. If the proxy is the Chair, the proxy must vote on a poll, and must vote 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 as directed. If any member of the Key Management Personnel of the Company, other than the Chair of the Meeting, or a Closely Related Party of a member of the Key Management Personnel is your nominated proxy and you have not directed the proxy how to vote on Resolution 1 (Remuneration Report), that person will not cast any votes on Resolution 1.

4. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members must sign.
5. Where a Proxy Form of a corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
6. Corporate members must comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
8. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Genesis Minerals Limited, PO Box 937, West Perth, WA 6872; or
  - (b) email to [gjames@genesisminerals.com.au](mailto:gjames@genesisminerals.com.au)

so that it is received not later than 11am (WST) on 28 November 2017.

**Proxy forms received later than this time will be invalid.**

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