



**Golden Rim Resources Limited
ABN 39 006 710 774
Notice of Annual General Meeting
and Explanatory Memorandum**

Date of Meeting
28 November 2016

Time of Meeting
12.00 pm (AEDT)

Place of Meeting
Deloitte
Level 10
550 Bourke Street
MELBOURNE VIC 3000

A Proxy Form is enclosed

Please read this Notice of Annual General Meeting and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

Golden Rim Resources Limited

ABN 39 006 710 774

Notice of Annual General Meeting

NOTICE IS GIVEN that an Annual General Meeting of Shareholders of Golden Rim Resources Limited ABN 39 006 710 774 (**Company**) will be held at Deloitte, Level 10, 550 Bourke Street, Melbourne, Victoria, 3005 on 28 November 2016 at 12.00 pm (AEDT) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Memorandum.

Agenda

Financial Reports

To receive and consider the financial report of the Company, together with the Directors' Report and the Auditor's Report for the year ended 30 June 2016, as set out in the Annual Report.

Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding ordinary resolution**:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2016 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution 1.

Voting exclusion statement: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

However, a person described above may cast a vote on Resolution 1 if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 – Re-election of Mr Rick Crabb as a Director

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

"That, Mr Rick Crabb, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re- election, be re-elected as a Director."

Resolution 3 – Approval to issue securities under Option Incentive Plan

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

"That, for the purpose of Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve, as an exception to Listing Rule 7.1, the issue of securities under the employee incentive scheme for employees known as "Golden Rim Resources Limited Option Incentive Plan", a summary of the rules of which are set out in Annexure A to the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 3 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:

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

Resolution 4 – Approval to issue Options to Mr Craig Mackay or his nominee(s)

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

"That, subject to Resolution 3 being passed, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 14,000,000 Options to Mr Craig Mackay or his nominee(s) under the Golden Rim Resources Limited Option Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by any Director of the Company who is eligible to participate in the Golden Rim Resources Limited Option Incentive Plan, and any person who is an Associate of those persons. However, the Company need not disregard a vote if:

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

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 4 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 4 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 4; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. Shareholders may also choose to direct the Chair to vote against Resolution 4 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 4.

Resolution 5 – Approval to issue Options to Mr Rick Crabb or his nominee(s)

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

"That, subject to Resolution 3 being passed, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 7,000,000 Options to Mr Rick Crabb or his nominee(s) under the Golden Rim Resources Limited Option Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by any Director of the Company who is eligible to participate in the Golden Rim Resources Limited Option Incentive Plan, and any person who is an Associate of those persons. However, the Company need not disregard a vote if:

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

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 5 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 5. Shareholders may also choose to direct the Chair to vote against Resolution 5 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 5.

Resolution 6 – Approval to issue Options to Mr Glenister Lamont or his nominee(s)

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

"That, subject to Resolution 3 being passed, for the purposes of sections 195(4) and 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, the Directors are authorised to issue up to 7,000,000 Options to Mr Glenister Lamont or his nominee(s) under the Golden Rim Resources Limited Option Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 6 by any Director of the Company who is eligible to participate in the Golden Rim Resources Limited Option Incentive Plan, and any person who is an Associate of those persons. However, the Company need not disregard a vote if:

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

Further, pursuant to section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution 6 (in any capacity) by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party. However, the Company need not disregard a vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 6. Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed in writing and the Proxy Form specifies how the proxy is to vote on Resolution 6.

Resolution 7 – Approval of Additional 10% Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and 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 in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 7 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if:

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

Other business

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

By order of the Board



Hayley Butcher
Company Secretary

Dated: 5 October 2016

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, by hand, by post or by facsimile.

Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 3, 4, 5 and 6 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not Chair of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chair of the Meeting will act in place of the nominated proxy and vote on a poll in accordance with any instructions.
- Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- Proxies must be received by **12.00pm (AEDT) on 26 November 2016**. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - **Online:** www.linkmarketservices.com.au
 - **By mail:**

Golden Rim Resources Ltd
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
 - **By hand:**

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia
 - **By facsimile:**

+61 2 9287 0309

Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (AEDT) on 26 November 2016.

Golden Rim Resources Limited

ABN 39 006 710 774

Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

Financial Reports

The Board is required to lay before the Meeting the consolidated annual financial report of the Company for the financial year ended 30 June 2016, together with the Directors' report (including the Remuneration Report) and the Auditor's Report on the financial report. No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions, and to make comments on the reports and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to: the conduct of the audit; the preparation and content of the independent audit report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

A copy of the Company's 2016 Annual Report is available on the ASX website or at www.goldenrim.com.au under the "News and Reports" tab.

Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2016 Annual Report be adopted. The Remuneration Report is set out in the Company's 2016 Annual Report and commences at page 22.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

Shareholders are entitled to vote on the question as to whether the Remuneration Report is to be adopted. However, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than any Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2015 did not receive a vote of more than 25% against its adoption at the Company's 2015 annual general meeting held on 26 November 2015. 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.

Resolution 2 – Re-election of Mr Rick Crabb as a Director

Pursuant to Clause 13.2 of the Company's Constitution, Rick Crabb, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Crabb holds degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration from the University of Western Australia. He has practiced as a solicitor from 1980 to 2004 specialising in mining, corporate and commercial law. He has advised on all legal aspects including financing, marketing, government agreements and construction contracts for many resource development projects in Australia and Africa. Mr Crabb now focuses on his public company directorships and investments. He has been involved as a director and strategic shareholder in a number of successful public companies. Mr Crabb is a Councillor on the Western Australian Division of the Australian Institute of Company Directors.

Mr Crabb is currently also non-executive Chairman of Paladin Resources Ltd (appointed 8 February 1994).

Mr Crabb has been a director of Golden Rim since 21 August 2001. The Board considers that Mr Crabb, if re-elected, will continue to be classified as an independent director.

The members of the Board (other than Mr Crabb) support the re-election of Mr Crabb.

Resolution 3 – Approval to issue securities under Option Incentive Plan

In 2010, the Board considered it desirable to establish an employee incentive scheme pursuant to which certain employees and Directors may be offered the opportunity to be granted options in order to attract persons of experience and ability to employment with the Company and provide incentive to the employees to remain in their employment in the long term. Accordingly, the Directors adopted the Golden Rim Resources Limited Employee Share Option Plan (**Former Plan**). The Former Plan was consistent with ASIC Class Order 03/184 (**CO 03/184**), which provides relief from certain provisions of the Corporations Act relating to disclosure, on-sale, licensing and hawking. The Former Plan was last approved by Shareholders at the Company's annual general meeting held on 22 November 2013.

ASIC has issued a new class order, ASIC Class Order 14/1000 (**CO 14/1000**), which expanded the category of persons who can participate under an employee incentive scheme to include non-executive directors and certain contractors and casual employees, defined the identity of permitted nominees to whom offers under a plan can be renounced, simplified the ASIC notification requirements and made some other changes.

The Board has resolved to adopt a new share option plan called the Golden Rim Resources Limited Option Incentive Plan (**Plan**) that is consistent with CO 14/1000.

The Plan is designed to attract, retain and motivate eligible employees, promote and foster loyalty and support amongst eligible employees for the benefit of the Company, enhance the relationship between the Company and Eligible Employees for the long term mutual benefit of all parties and provide eligible employees with the opportunity to share in any future growth in value of the Company through the issue of Options.

To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. Under the Company's current circumstances, the Directors consider that granting options to employees and Directors are a cost effective and efficient incentive, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

A summary of the key terms of the Plan is set out in **Annexure A**.

Shareholder approval under Listing Rule 7.2, Exception 9(b)

Shareholder approval is sought so that an issue of Options under the Plan can fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue. This will preserve the Company's ability to issue securities under Listing Rule 7.1 for other purposes, such as capital raising.

Separate Shareholder approval will be required before any Director or other related party of the Company can participate in the Plan.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the rules of the Plan is set out in **Annexure A**;
- (b) the Plan has not previously been approved by Shareholders. However, as noted above, the Company had in place the Former Plan, which was approved by Shareholders at the Company's annual general meeting held on 22 November 2013. No Options have been issued pursuant to the Former Plan since the Former Plan was last approved.
- (c) a voting exclusion statement has been included in relation to Resolution 3.

The Board considers that the Plan is an appropriate way to assist in the recruitment, reward, retention and motivation of Company personnel and recommend that Shareholders vote in favour of Resolution 3.

Resolutions 4, 5 and 6 – Approval to issue Options to Directors

The Company proposes to grant a total of 28,000,000 Director Options to the Directors, or their nominees, under the Plan as follows:

Director	No. of Tranche 1 Director Options exercisable at \$0.020, expiring 28/11/2017	No. of Tranche 2 Director Options exercisable at \$0.025, expiring 28/11/2018	No. of Tranche 3 Director Options exercisable at \$0.030, expiring 28/11/2019	Total number of Director Options
Mr Craig Mackay	4,000,000	4,000,000	6,000,000	14,000,000
Mr Rick Crabb	2,000,000	2,000,000	3,000,000	7,000,000
Mr Glenister Lamont	2,000,000	2,000,000	3,000,000	7,000,000

The Board has determined the exercise prices of the Director Options with regard to the market value of the Shares, and considers the prices to be a suitable premium to meet the objectives of the proposed grant of Director Options as outlined on page 4 of this Explanatory Memorandum.

Chapter 2E of the Corporations Act

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

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

For the purposes of Chapter 2E of the Corporations Act, each of the Directors (or their nominee(s)) is a related party of the Company.

Resolutions 4, 5 and 6 relate to the proposed grant of Director Options to each of the Directors, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

The following information in relation to the proposed issue of the Director Options, the subject of Resolutions 4, 5 and 6 is provided to Shareholders for the purposes of section 219 of the Corporations Act and with reference to ASIC Regulatory Guide 76: *Related party transactions*:

	Resolution 4	Resolution 5	Resolution 6
Identity of the related party	Mr Craig Mackay, or his nominee(s)	Mr Rick Crabb, or his nominee(s)	Mr Glenister Lamont, or his nominee(s)

Nature of the financial benefit	The proposed financial benefit is the issue of 14,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 7,000,000 Director Options for no consideration.	The proposed financial benefit is the issue of 7,000,000 Director Options for no consideration.
Details of the financial benefit, including reasons for giving the type and quantity of the benefit	The terms of the Director Options are set out in Annexure B. The proposed grant of Director Options will be subject to the terms of the Plan. However, if there is any inconsistency between the terms of the Director options set out in Annexure B and the Plan, the terms set out in Annexure B prevail to the extent of the inconsistency. The grant of Director Options encourages Mr Mackay, as the Company's Managing Director, to have a greater 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, the Directors consider (in the absence of Mr Mackay) that the incentive intended for Mr Mackay represented by the grant of 14,000,000 Director Options is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation. Under the Company's current circumstances, the Directors consider that the issue of Director Options to Messrs Crabb and Lamont represents a cost effective way for the Company to remunerate those directors, as opposed to additional cash remuneration and it is designed to attract and retain suitably qualified non-executive directors, and to align their interests with the interests of other security holders. The Director Options have vesting conditions (as outlined in the terms set out in Annexure B) but do not have any performance hurdles attached to them. The number and exercise prices of the Director Options to be granted to each of the Directors has been determined based upon a consideration of: (a) the cash remuneration of the Directors; (b) the extensive experience and reputation of the Directors within the resources industry; (c) the current price of Shares; (d) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Director Options to be granted and will ensure that the Directors' overall remuneration is in line with market practice; (e) attracting and retaining suitably qualified non-executive directors; and (f) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed.		
Directors current holdings	Set out below are details of each of the Directors' relevant interests in securities (held directly and indirectly) of the Company as at the date of this Notice:		
	Mr Craig Mackay • 34,058,000 Shares • 2,000,000 Options exercisable at 0.95 cents, expiring 27/11/2016 • 3,000,000 Options exercisable at 1.45 cents, expiring 27/11/2017	Mr Rick Crabb • 39,726,384 Shares	Mr Glenister Lamont • 878,051 Shares

Dilution effect of issue of Director Options on existing members' interests	If passed, Resolutions 4, 5 and 6 will give the Directors power to grant a total of 28,000,000 Director Options on the terms and conditions as set out in Annexure B and as otherwise mentioned above.																								
	As at the date of this Notice, the Company has 1,438,520,000 listed Shares and 143,358,400 unlisted Options (details of the unlisted Options are set out in the table below) on issue:																								
	<table><tr><th>Number of Options</th><th>Exercise price</th><th>Expiry date</th></tr><tr><td>2,150,000</td><td>14 cents</td><td>12 January 2017</td></tr><tr><td>3,000,000</td><td>0.95 cents</td><td>27 November 2016</td></tr><tr><td>4,500,000</td><td>1.45 cents</td><td>27 November 2017</td></tr><tr><td>119,382,500</td><td>1.65 cents</td><td>30 October 2017</td></tr><tr><td>14,325,900</td><td>1.65 cents</td><td>2 November 2016</td></tr></table>					Number of Options	Exercise price	Expiry date	2,150,000	14 cents	12 January 2017	3,000,000	0.95 cents	27 November 2016	4,500,000	1.45 cents	27 November 2017	119,382,500	1.65 cents	30 October 2017	14,325,900	1.65 cents	2 November 2016		
	Number of Options	Exercise price	Expiry date																						
	2,150,000	14 cents	12 January 2017																						
	3,000,000	0.95 cents	27 November 2016																						
	4,500,000	1.45 cents	27 November 2017																						
119,382,500	1.65 cents	30 October 2017																							
14,325,900	1.65 cents	2 November 2016																							
If all Director Options granted as proposed by Resolutions 4, 5 and 6 are exercised, and assuming all existing Options on issue have been exercised, the effect of the exercise of the Director Options the subject of Resolutions 4, 5 and 6 would be to dilute the shareholding of existing Shareholders (including new shareholders as a result of the options being exercised) by 1.77%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not the Directors exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options. The Director Options will not be quoted on ASX.																									
Directors total remuneration package	The Directors' fees per annum and the total financial benefit to be received by them in this current period, as a result of the grant of the Director Options the subjects of Resolutions 4, 5 and 6 are as follows:																								
	<table><tr><th>Director</th><th>Base Salary \$</th><th>Superannuation \$</th><th>Value of Director Options \$</th><th>Total financial benefit \$</th></tr><tr><td>Mr Mackay</td><td>290,384</td><td>19,616</td><td>44,000</td><td>354,000</td></tr><tr><td>Mr Crabb</td><td>63,927</td><td>6,073</td><td>22,000</td><td>92,000</td></tr><tr><td>Mr Lamont</td><td>45,662</td><td>4,338</td><td>22,000</td><td>72,000</td></tr></table>					Director	Base Salary \$	Superannuation \$	Value of Director Options \$	Total financial benefit \$	Mr Mackay	290,384	19,616	44,000	354,000	Mr Crabb	63,927	6,073	22,000	92,000	Mr Lamont	45,662	4,338	22,000	72,000
	Director	Base Salary \$	Superannuation \$	Value of Director Options \$	Total financial benefit \$																				
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	Mr Crabb	63,927	6,073	22,000	92,000																				
	Mr Lamont	45,662	4,338	22,000	72,000																				
	The indicative Director Option valuation of \$0.002 for each Tranche 1 Director Option, \$0.003 for each Tranche 2 Director Option and \$0.004 for each Tranche 3 Director Option is a theoretical valuation of each Director Option using the Black-Scholes Model (see below).																								
Valuation of Director Options	The Company's advisers have valued the Director Options proposed to be issued to the Directors using the Black-Scholes Model. The valuation of an option using the Black-Scholes Model is a function of a number of variables.																								
	The valuation of the Director Options has been prepared using the following assumptions:																								
	<table><tr><th>Variable</th><th>Input</th></tr><tr><td>Share price</td><td>\$0.010</td></tr><tr><td>Exercise price</td><td>\$0.020 (Tranche 1 Director Options) \$0.025 (Tranche 2 Director Options) \$0.030 (Tranche 3 Director Options)</td></tr><tr><td>Risk free interest rate</td><td>1.54%</td></tr><tr><td>Volatility</td><td>100%</td></tr></table>					Variable	Input	Share price	\$0.010	Exercise price	\$0.020 (Tranche 1 Director Options) \$0.025 (Tranche 2 Director Options) \$0.030 (Tranche 3 Director Options)	Risk free interest rate	1.54%	Volatility	100%										
	Variable	Input																							
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	Risk free interest rate	1.54%																							
Volatility	100%																								

	<table><tr><td>Time (years to expiry)</td><td>1 Year for Tranche 1 Director Options 2 Years for Tranche 2 Director Options 3 Years for Tranche 3 Director Options</td></tr></table>	Time (years to expiry)	1 Year for Tranche 1 Director Options 2 Years for Tranche 2 Director Options 3 Years for Tranche 3 Director Options			
	Time (years to expiry)	1 Year for Tranche 1 Director Options 2 Years for Tranche 2 Director Options 3 Years for Tranche 3 Director Options				
	For the purposes of calculating the value of each Director Option, the Company has: (a) assumed the Share price is \$0.010, which was the closing price of Shares on ASX on 28 September 2016, being the date of valuation of the Director Options; (b) used a risk free interest rate of 1.54%, (estimated based on the 5-year Commonwealth Bond Rate as at the date of valuation of the Director Options); and (c) used a volatility of the Share price of 100% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading. Based on the above, the Company has have calculated an indicative value of one Tranche 1 Director Option to be \$0.002, one Tranche 2 Director Option to be \$0.003 and one Tranche 3 Director Option to be \$0.004. Accordingly, an indicative value of all Director Options, proposed to be issued pursuant to Resolutions 4, 5 and 6 is \$88,000. Any change in the variables applied in the Black-Scholes calculation between the date of the valuation (28 September 2016) and the date the Director Options are issued would have an impact on their value.					
	Company’s historical Share price					
	The following table gives details of the highest, lowest and latest closing prices of the Company’s Shares trading on ASX over the past 12 months ending on 28 September 2016: <table><tr><td>Highest price/date</td><td>Lowest price/date</td><td>Latest price/date</td></tr><tr><td>\$0.014 on 25/07/16</td><td>\$0.0015 on 29/01/16</td><td>\$0.009 on 05/10/16</td></tr></table>	Highest price/date	Lowest price/date	Latest price/date	\$0.014 on 25/07/16	\$0.0015 on 29/01/16
Highest price/date	Lowest price/date	Latest price/date				
\$0.014 on 25/07/16	\$0.0015 on 29/01/16	\$0.009 on 05/10/16				
Other information						
Under the Australian Equivalent of the International Financial Reporting Standards, the Company is required to expense the value of the Director Options in its statement of financial performance for the current financial year. Other than as disclosed in this Explanatory Memorandum, 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 issuing the Director Options pursuant to Resolutions 4, 5 and 6. Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 4, 5 and 6.						
Directors’ recommendations	All the Directors were available to make a recommendation. Mr Craig Mackay declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Crabb and Lamont also decline to make a recommendation about Resolution 4. ASIC Regulatory Guide 76: Related Party Transactions notes at paragraph 76.103 that it is good practice for directors to avoid making a recommendation for resolutions about each other’s remuneration as there may be a conflict of interest. Whilst Messrs Crabb and Lamont do not have a material personal interest in the outcome of Resolution 4, given it is proposed that they also be issued with Director Options under Resolutions 5 and 6 respectively, they have declined to make a recommendation about Resolution 4 in line with the ASIC guidance. Mr Rick Crabb declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Mackay and Lamont also decline to make a recommendation about Resolution 5. Whilst Messrs Mackay and Lamont do not have a material personal interest in the outcome of Resolution 5, given it is proposed that they also be issued with Director Options under Resolutions 4 and 6 respectively, they have declined to make a recommendation about Resolution 5 in line with the ASIC guidance outlined above.					

	Mr Glenister Lamont declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Director Options to him individually (or his nominee(s)). Messrs Mackay and Crabb also decline to make a recommendation about Resolution 6. Whilst Messrs Mackay and Crabb do not have a material personal interest in the outcome of Resolution 6, given it is proposed that they also be issued with Director Options under Resolutions 4 and 5 respectively, they have declined to make a recommendation about Resolution 6 in line with the ASIC guidance outlined above.
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Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the grant of Director Options to each of the Directors.

The following information in relation to the Director Options it is proposed be issued to the Directors the subject of Resolutions 4, 5 and 6 is provided to Shareholders for the purposes of Listing Rule 10.15:

	Resolution 4	Resolution 5	Resolution 6
Identity of person to be issued Director Options	Mr Craig Mackay, a Director, or his nominee(s)	Mr Rick Crabb, a Director, or his nominee(s)	Mr Glenister Lamont, a Director, or his nominee(s)
Maximum number of securities that may be acquired, including the formula for calculating the number of securities to be issued	14,000,000 Director Options	7,000,000 Director Options	7,000,000 Director Options
Price	The Director Options will be issued for nil cash consideration.		
Names of all persons who received securities under the Plan since last approval, and acquisition price	No persons referred to in Listing Rule 10.14 have received securities under the Plan, as this is the first time the Plan has been put to Shareholders for approval. No persons referred to in Listing Rule 10.14 have received securities under the Former Plan.		
Names of all persons referred to in Listing Rule 10.14 entitled to participate in the Plan	The persons referred to in Listing Rule 10.14 entitled to participate in the Plan are each of the Directors of the Company, Craig Mackay, Rick Crabb and Glenister Lamont (or their permitted nominee(s)).		
Voting exclusion statement	A voting exclusion statement has been included in the Notice in relation to each of Resolutions 4, 5 and 6.		
Terms of any loan in relation to the acquisition.	No loan will be provided to any of the Directors in relation to the issue or conversion of the Director Options.		
Date by which the securities will be issued.	The Director Options the subject of each of Resolutions 4, 5 and 6 will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver of the Listing Rules).		

If approval is given for the issue of the Director Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Section 195(4) of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors do not have a material personal interest in the issue of Director Options to a Director (or their nominee(s)) other than to himself. However, given that it is proposed that all Directors are issued Director Options pursuant to Resolutions 4, 5 and 6, they may be considered to have a material personal interest in the outcome of

Resolutions 4, 5 and 6, in which case the Directors would be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act, and put the matter to Shareholders to resolve.

Resolution 7 – Approval of Additional 10% Placement Capacity

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$12.9 million as at the date of this Notice and is an eligible entity for the purposes of Listing Rule 7.1A.

Resolution 7 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue Shares in the 12 month period following the Meeting. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital.

If passed, Resolution 7 will allow the Company to issue Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.1A

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has quoted Shares on issue.

Based on the number of Shares on issue at the date of this Notice, the Company has 1,438,520,000 Shares on issue and therefore, subject to Shareholders approving Resolution 7, 143,852,000 Equity Securities may be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

(A x D) – E

A is the number of 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 Shareholders under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the Company's 15% placement capacity without Shareholder approval; and
- (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is 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 Rules 7.1 or 7.4.

Shareholders will be kept fully informed of any issue of Equity Securities under the Additional 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.5A (such as details of dilution of existing Shareholders) in addition to information required by Listing Rule 7.1A.4, Appendix 3B and any other applicable listing rules. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		Issue Price at half the current market price \$0.0045	Issue Price at current market price \$0.009	Issue Price at double the current market price \$0.018
Current Variable 'A' 1,438,520,000 Shares	Shares issued	143,852,000	143,852,000	143,852,000
	Funds raised	\$647,334	\$1,294,668	\$2,589,336
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 2,157,780,000 Shares	Shares issued	215,778,000	215,778,000	215,778,000
	Funds raised	\$971,001	\$1,942,002	\$3,884,004
	Dilution	10%	10%	10%
100% increase in current Variable 'A' 2,877,040,000 Shares	Shares issued	287,704,000	287,704,000	287,704,000
	Funds raised	\$1,294,668	\$2,589,336	\$5,178,672
	Dilution	10%	10%	10%

Note: The table above assumes:

- (a) No Options are exercised before the date of the issue of the Equity Securities.
- (b) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- (c) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

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.

Resolution 7 is a special resolution, requiring 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) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

Minimum price	The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before: (a) the date on which the price at which the Equity Securities are to be issued is agreed; or (b) if the Equity Securities are not issued within five Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
Potential risk of economic and voting dilution	If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that: (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; (b) 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; or

	(c) the Equity Securities may be issued for non-cash consideration, which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity. The table above on page 9 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. The table shows: (a) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%; (b) examples of where the issue price of ordinary securities is the current market price as at close of trade on 28 September 2016, being \$0.10, (current market price), where the issue price is halved, and where it is doubled; and (c) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
Timing of potential issues	Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the Meeting and will expire on the earlier of: (a) the date that is 12 months after the date of the Meeting; and (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).
Purpose of potential issues	The Company may seek to issue the Equity Securities for the following purposes: (a) If Equity Securities are issued for cash consideration, the Company intends to use the funds for exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital; and (b) If Equity Securities are issued for non-cash consideration to acquire access to strategic tenements or assets identified by the Company to further existing projects and future growth. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market. The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.
Allocation policy	The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to: (a) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer; (b) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities; (c) the financial situation and solvency of the Company; and (d) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

	The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.
Previous approvals under Listing Rule 7.1A	The Company previously obtained Shareholder approval under Listing Rule 7.1A on 22 November 2013. In the 12 months preceding the date of the Meeting, the Company has not issued any Equity Securities.
Voting exclusion statement	A voting exclusion statement is included in the Notice in relation to Resolution 7. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

Glossary

\$ means Australian dollars.

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

Additional 10% Placement Capacity has the meaning given to that term on page 8 of the Explanatory Memorandum.

Additional Placement Period has the meaning given to that term on page 10 of the Explanatory Memorandum.

AEDT means Australian Eastern Daylight Savings Time.

Annexure A means the annexure to the Explanatory Memorandum marked A.

Annexure B means the annexure to the Explanatory Memorandum marked B.

Annual Report means the annual report of the Company for the year ended 30 June 2016.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

Auditor means the Company’s auditor from time to time.

Auditor’s Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2016.

Board means the Directors.

Chair or Chair means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Golden Rim Resources Limited ABN 39 006 710 774.

Constitution means the Company’s constitution, as amended from time to time.

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

Directors means the directors of the Company.

Director Option means an Option issued under the Plan with the terms and conditions set out in Annexure B.

Directors’ Report means the directors’ report set out in the Annual Report for the year ended 30 June 2016.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Plan means the Golden Rim Resources Limited Option Incentive Plan, a summary of which is set out in Annexure A.

Remuneration Report means the remuneration report set out in the Annual Report for the financial year ended 30 June 2016.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 1 of the Explanatory Memorandum.

Spill Resolution the meaning set out on page 1 of the Explanatory Memorandum.

Tranche 1 Director Option means a Director Option with an exercise price of \$0.020 and an expiry date of 28 November 2017.

Tranche 2 Director Option means a Director Option with an exercise price of \$0.025 and an expiry date of 28 November 2018.

Tranche 3 Director Option means a Director Option with an exercise price of \$0.030 and an expiry date of 28 November 2019.

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

Annexure A – Summary of Golden Rim Resources Limited Option Incentive Plan

Plan limit	Where an offer is made under the Plan in reliance on CO 14/1000 (or any amendment or replacement of it) the Board must, at the time of making the offer, have reasonable grounds to believe that the total number of Shares which would be issued if the Options the subject of the offer vested, 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 or like scheme of the Company covered by CO 14/1000 or an individual instrument made by ASIC in terms similar to the class order, or any employee incentive scheme or employee share scheme of the Company, where the offers were covered by ASIC Class Order 03/184 or an individual instrument made by ASIC in similar terms to that class order. This limit is in accordance with CO 14/1000.
Quotation	Options will not be quoted on ASX.
No transfer	Options cannot be assigned, transferred, novated, encumbered or otherwise disposed of unless the Board consents (in its sole and absolute discretion) or the assignment or transfer occurs by force of law. Any transfer in breach of these requirements results in immediate lapse of the Option.
Eligible Employees	The Board may, in its absolute discretion, offer Options to any of the following persons: (a) a full time or part time employee (including an executive director) or non-executive director of the Company or an associated body corporate (being a body corporate that is a related body corporate of the body, a body corporate that has voting power in the body of not less than 20% or a body corporate in which the body has voting power of not less than 20%) (Group Company); (b) an individual who is or might reasonably be expected to be engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full time position with a Group Company; or (c) an individual or company with whom a Group Company has entered into a contract for the provision of services under which the individual or a director or their spouse performs work for a Group Company. A person who the Board invites to participate in the Plan are called Eligible Employees. The Board may permit Options to be offered to another party nominated by an Eligible Employee (for example, the Eligible Employee's (a) immediate family member; (b) a corporate trustee of a self-managed superannuation fund (within the meaning of the <i>Superannuation Industry (Supervision) Act 1993</i>) where the Eligible Employee is a director of the trustee; or (c) a company whose members are no-one other than the Eligible Employee or their immediate family members) (Nominated Party). A Participant is an Eligible Employee or Nominated Party to whom Options have been granted.
No consideration for issue	No consideration is payable for the issue of an Option.
Terms and conditions – Board discretion	The Board may invite Eligible Employees to participate in the plan by providing a written offer document (Offer). The Offer must contain (among other things) the maximum number of Options that may be applied for, any relevant vesting conditions and vesting period, the dates which the Options may be exercised (subject to the terms of the Offer and the Plan) and the expiry date of the Options. These terms and conditions are at the Board's discretion.
Vesting and exercise	The vesting conditions (if any) will be determined when the Options are granted, and set out in the Offer. Options will vest when the relevant vesting conditions (if any) are satisfied, waived by the Board or are deemed to have been satisfied under the Plan. Provided any vesting conditions have been satisfied or waived and the Option is otherwise capable of exercise, an Option may be exercised at any time up until the expiry date specified in the Offer.
Adjustment to exercise terms	The Board will have the power to make adjustments to or vary the terms of exercise of an Option, including reducing or waiving the vesting conditions attaching to Options in whole or in part at any time and in any particular case. Any proposed variation or adjustment will be subject to any requirements of the Corporations Act and/or the Listing Rules (including Shareholder approval). However, no variation to the terms of exercise of an Option will be made without the consent of the Participant if it would have a material prejudicial effect on them, unless introduced primarily to comply with the law or Plan, to correct manifest error or to enable regulatory compliance.

Lapse of Options	Unless otherwise specified in the vesting conditions or determined otherwise by the Board, an Option lapses on the earlier of: (a) the Board determining that any vesting condition attaching to the Option has not been satisfied or is not capable of being satisfied; (b) the day after the last day the Option may be exercised; and (c) the Option lapsing under the cessation of employment, change of control or breach, fraud or misconduct provisions of the Plan. When Options lapse, all rights of a Participant in respect of those Options are forfeited.
New issues, reorganisations and winding-up	If the Company makes a pro rata issue of Shares (except a bonus issue) during the term of an Option, the exercise price of the Option will be reduced according to the formula in the Listing Rules. If the Company makes a bonus issue of Shares during the term of an Option, the number of Shares the holder is entitled to will be increased by the number of Shares the holder would have been issued if the Options were exercised. If there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of a Participant (including the number of Options to which each Participant is entitled and the exercise price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. If a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the vesting conditions, the Participants may, during the period referred to in the notice, exercise their Options
Cessation of employment	Subject to the ultimate discretion of the Board, if a Participant ceases to be employed due to: (a) resignation, dismissal for cause or poor performance or another circumstance determined by the Board, any Options held by the Participant shall lapse whether they are vested or unvested; and (b) disability, mental illness, redundancy or death, or another reason other than that stated in (a), any unvested Options held by the Participant shall lapse, but any vested Options shall continue to be able to be exercised in accordance with their terms.
Change of control	If there is a change of control event (which is defined in the Plan, and includes a takeover for the Company which is (or is declared) unconditional, a court order to convene a meeting for a scheme of arrangement, a merger resulting in the current Shareholders being entitled to 50% or less of the shares of the merged entity, a Group Company agreeing to sell a majority of its business or assets or a determination of the Board that control of the Company has or is likely to change), the Board may in its sole and absolute discretion determine how unvested Options will be treated, including determining that some or all of the Options vest or reducing or waiving vesting conditions.
Misconduct and clawback	If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of their obligations to a Group Company, then the Board may determine that all the Participant's Options lapse. If the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the vesting conditions in respect of certain vested Options were not, or should not have been determined to have been, satisfied, then the Participant will cease to be entitled to those Vested Options (Affected Options) and the Board may take various actions, including: cancelling the relevant Affected Options for no consideration; requiring that the Participant pay to the Company the after tax value of the Affected Options which have been converted into Shares or adjust fixed remuneration, incentives or participation in this Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the Affected Options.
Amendment of Rules	Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Board (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

Annexure B – Terms and Conditions of Director Options

1. The Options are issued subject to the rules (**Rules**) of the Golden Rim Resources Limited Option Incentive Plan (**Plan**).
2. No consideration is payable for the issue of an Option.
3. The Options will not be quoted on ASX.
4. Subject to the Rules, the Options expire at 5.00pm Perth, Western Australia time on the expiry date stated on the Option Certificate (**Expiry Date**).
5. Subject to the Rules and these terms and conditions, each Option carries the right in favour of the Option holder to subscribe for one fully paid ordinary share issued in the capital of the Company (**Share**) upon payment of the exercise price stated on the Option Certificate (**Exercise Price**).
6. The Options are exercisable by delivery to the Company of:
 - a. a duly completed and executed option exercise notice in the form annexed to these terms and conditions;
 - b. the certificate for the Options or, if the Certificate for the Options has been lost or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost or destroyed; and
 - c. payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options being exercised.
7. The Company will issue and allot the resultant Shares within 15 Business Days of receipt of the deliverables referred to in condition 6 above. A Share issued upon exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Shares, except for entitlements which had a record date before the date of issue of that Share. The Company will apply for official quotation on ASX of a Share issued upon exercise of an Option.
8. The Options must not be assigned, transferred, novated, encumbered with a Security Interest in or over them or otherwise disposed of by a holder except in accordance with the Rules.
9. An Option holder has no right or interest in a Share the subject of an Option held by the holder unless and until the Option is exercised and the Share is issued. Nor does the holder of an Option have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Option. Subject to the Corporations Act and the Constitution, an Option holder will not, as a holder of an Option, have any right to attend to vote at meetings of shareholders.
10. Option holders are not entitled to participate in any new issue of securities to existing holders of Shares unless they are entitled to exercise their Options, and do exercise their Options and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of Shares.
11. If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the pro rata issue, the Exercise Price of the Option will be reduced according to the formula specified in the ASX Listing Rules.
12. If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue. No adjustment will be made to the Exercise Price.
13. If there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of an Option holder (including the number of Options to which the Option holder is entitled and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.