
GREEN ROCK ENERGY LIMITED

ACN 094 551 336

NOTICE OF GENERAL MEETING

TIME: 10am WST

DATE: 15 December 2014

PLACE: 50 Ord Street, West 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 9226 3815

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10am (WST) on 15 December 2014 at:
50 Ord Street, West Perth, Western Australia

Your vote is important

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

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 13 December 2014.

Voting in person

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

Voting by proxy

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

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

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

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

“That, for the purpose of ASX Listing Rules 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities and to undertake the Capital Raising (the subject of Resolution 7) at \$0.05 per Share and otherwise as described in the Explanatory Statement accompanying this notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a shareholder, if this Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

“That, in accordance with Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated with immediate effect on the basis that:

- (a) every twenty (20) Shares be consolidated into one (1) Share; and*
- (b) all Options on issue be adjusted in accordance with ASX Listing Rule 7.22,*

and where this consolidation results in a fraction of a security being held by a security holder, the Directors be authorised to round that fraction up to the nearest whole Share or Option.”

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES TO KABUNGA HOLDINGS PTY LTD

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 33,333,333 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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 a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES TO WESTORIA CAPITAL PTY LTD

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,666,667 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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 a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARE PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 213,000,000 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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 a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – MAHENG PROJECT

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,000,000 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: 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 a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – ISSUE OF SHARES UNDER PROSPECTUS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 post Consolidation Shares at a price of \$0.05 per Share together with up to 12,500,000 Options on the basis of one Option for every four Shares issued, on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 8 – APPROVAL OF ISSUE OF SECURITIES TO MR STEPHEN COPULOS (OR HIS ASSOCIATES) UNDER THE CAPITAL RAISING

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

“That, subject to the passing of Resolution 7, for the purposes of Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to:

- (a) 20,000,000 Shares (**New Shares**);*
- (b) 5,000,000 Options (**New Options**);*
- (c) 5,000,000 Shares upon the exercise of the New Options referred to in paragraph (b) above;*
- (d) 1,675,000 Performance Rights; and*
- (e) 1,675,000 Shares upon conversion of the Performance Rights referred to in paragraph (d) above,*

*to Eyeon Investments Pty Ltd ATF Eyeon Investments Family Trust (**Eyeon Investments**) on the terms and conditions set out in the Explanatory Statement, which in addition to the 376,154,763 Shares (on a pre-Consolidation basis) already held will result in Eyeon Investments’ (or its Associates) voting power increasing from 17.08% to 26.77% in the capital of the Company.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Eyeon Investments Pty Ltd (or its Associates) or any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Expert’s Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Section 611 Item 7 of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the transactions the subject of this resolution to the non-associated Shareholders in the Company.

9. RESOLUTION 9 – PARTICIPATION OF DIRECTORS IN THE CAPITAL RAISING

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

“That, subject to the passing of Resolution 7, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 900,000 Shares

and 225,000 Options under the Capital Raising to the Directors (or their nominees) and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any of the Directors seeking to participate in the Capital Raising (and their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – ISSUE OF SHARES – ACQUISITION OF MAHENG RESOURCES LIMITED

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given for the Company to issue 80,000,000 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

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

11. RESOLUTION 11 – ISSUE OF SHARES – ACQUISITION OF MAHENG NORTH GRAPHITE PROJECT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purpose, approval is given for the Company to issue up to 166,666,667 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

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

12. RESOLUTION 12 – ISSUE OF SHARES TO WESTORIA CAPITAL PTY LTD

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 16,666,667 pre-Consolidation Shares on the terms and conditions set out in the Explanatory Statement.”

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

13. RESOLUTION 13 – ISSUE OF OPTIONS TO CYGNET CAPITAL

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

“That, subject to the completion of the Capital Raising, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 12,500,000 Options on (a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”

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

14. RESOLUTION 14 – APPROVAL FOR ISSUE OF OPTIONS FOR PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 66,000,000 Options on a pre-Consolidation basis on the terms and conditions set out in the Explanatory Statement.”

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

15. RESOLUTION 15 – ISSUE OF PERFORMANCE RIGHTS TO PROPOSED DIRECTOR – MR STEVEN TAMBANIS

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

“That, subject to the completion of the Acquisition, in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 3,350,000 Performance Rights (on a post-Consolidation basis) to Mr Steven Tambanis (or his nominees) on the terms and conditions set out in the Explanatory Statement”.

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Steven Tambanis (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

16. RESOLUTION 16 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR GABRIEL CHIAPPINI

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

“That, subject to the completion of the Acquisition, in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Company to issue 1,675,000 Performance Rights (on a post-Consolidation basis) to Mr Gabriel Chiappini (or his nominees) on the terms and conditions set out in the Explanatory Statement”.

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Gabriel Chiappini (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

17. RESOLUTION 17 – CHANGE OF COMPANY NAME

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

“That, subject to the completion of the Acquisition, pursuant to section 157(1) of the Corporations Act 2001 and for all other purposes, approval is given for the Company to change its name from “Green Rock Energy Limited” to “Black Rock Mining Limited”.

Dated: 14 November 2014

By order of the Board

Gabriel Chiappini
Director

EXPLANATORY STATEMENT

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

1. BACKGROUND TO PROPOSED TRANSACTION

1.1 General

Historically, the Company has been an exploration company focussed on exploration in the energy generation field, notably oil and gas and geothermal exploration. Details of the company's most recent activities in these areas are set out in its Annual Report lodged on ASX on 30 September 2014.

On 7 July 2014, the Company announced to ASX that it had entered into an option agreement to investigate, with the option to acquire, ground prospective for graphite exploration in Tanzania (**Mahenge Graphite Project**). Subsequently, on 22 August 2014, the Company announced that it had entered into an additional option agreement over additional prospective graphite ground in Tanzania (**Mahenge North Graphite Project**).

On 18 September 2014, the Company announced that it had exercised each of the options over the Mahenge Graphite Project and Mahenge North Graphite Project and would move to satisfy the conditions precedent to the settlement of the acquisition of the interest under each of the agreements.

Finally, on 6 October 2014, the Company announced it had entered into two further option agreements over additional prospective graphite lands in Tanzania. The Company does not currently propose to exercise these two options prior to re-instatement to trading on ASX (**Remaining Graphite Options**).

Following completion of the Transaction, the Company intends to focus its exploration activities on the Mahenge Graphite Project and the Mahenge North Graphite Project.

A summary of the material terms of each of these agreements is set out in Section 1.5 below. A technical summary of the exploration permits relating to the Projects is contained in Section 1.6 below.

1.2 Re-compliance with Chapters 1 and 2 of the Listing Rules

ASX has advised the Company that, given that the Company is proposing to make a change in its activities from an energy exploration company to a graphite exploration company, it has exercised its discretion to require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules prior to the Company completing the Acquisitions.

For this purpose, the Company will be required to re-comply with the conditions to listing on ASX set out in Chapters 1 and 2 of the ASX Listing Rules in order to complete the Acquisitions and before it can be re-instated to trading on ASX following the completion of the Acquisitions.

ASX Listing Rule 2.1 Condition 2 provides that it is a condition of quotation of the main class of a company's securities of an entity seeking admission to ASX that the issue price of the securities for which the company seeks quotation must be at least 20 cents in cash. In addition, ASX Listing Rule 1.1 Condition 11 provides that

for an entity to be admitted to the official list, the exercise price for any options on issue must be at least 20 cents in cash.

On 22 October 2014, ASX granted the Company a waiver from the requirements outlined above to enable the Company to issue securities for the purpose of satisfying ASX Listing Rule 2.1, Condition 2 at \$0.05 per Shares, with all Options issued or to be issued having an exercise price of not less than \$0.05 after the completion of the Consolidation. This waiver is subject to Shareholders approving the Company undertaking this capital raising at \$0.05.

1.3 Capital Raising

For the purpose of completing the capital raising, the Company intends to undertake a capital raising through the issue of up to 50,000,000 Shares (on a post-Consolidation basis) to raise up to \$2,500,000 together with 12,500,000 new Options on the basis of one Option for every four Shares issued under the Share Issue (**Capital Raising**). This Capital Raising is the subject of Resolution 7. In addition to Resolution 7, Resolution 8 seeks approval for Eyeon Investments Pty Ltd to participate in that Capital Raising, while Resolution 9 seeks approval for the existing Directors to also participate in the Capital Raising.

Funds raised under the Capital Raising are intended to be used in the manner set out in Section 1.9 below.

The Company expects to lodge a prospectus for the Capital Raising with ASIC prior to the date of the General Meeting. Completion of the Capital Raising is intended to be completed in accordance with the timetable set out in Section 1.4 below.

1.4 Timetable

The expected timetable of the completion of the Transaction and the re-instatement of the Company to trading on ASX is as follows:

ITEM	DATE
Lodgement of Notice of Meeting	15 November 2014
Lodgement of Prospectus	1 December 2014
Meeting of shareholders (Trading suspension commences)	15 December 2014
Close Capital Raising	15 December 2014
Consolidation of securities	22 December 2014
Proposed Settlement of Capital Raising	22 December 2014
Re-compliance Date (Trading suspension complete)	29 December 2014

* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders.

1.5 Key terms of Graphite Options

Mahenge North Graphite Project

On or about 7 July 2014, the Company entered into a binding terms sheet with Asab Resources (Tanzania) Limited (**Asab**) and Kabunga Holdings Pty Ltd (**Kabunga**) for the option to acquire 100% of Asab's interest in Prospecting Licence 7802/2012 (**Prospecting Licence**) that makes up the Mahenge North Graphite Project (**Mahenge North Option**).

The fee payable for the Mahenge North Option was \$50,000, plus the issue of 33,333,333 Shares together with the requirement to spend not less than \$100,000 on the Prospecting Licence during the term of the Mahenge North Option.

The Company exercised the Mahenge North Option on 18 September 2014.

The consideration payable for the acquisition of the Prospecting Licence is the issue of 166,666,667 Shares plus the obligation to spend \$500,000 on the Prospecting Licence within 12 months following settlement of the acquisition. In addition, the Company is required to pay the following milestone payments:

- (a) \$250,000, or at the election of Asab and subject to compliance with ASX Listing Rules, issue the equivalent in the Company's Shares upon the delineation of a JORC compliant Resource greater than 250,000 tonnes of contained graphite at >7% total graphite content from the Prospecting Licence;
- (b) \$250,000 cash or equivalent number of fully paid Green Rock shares (at the election of the vendor) to be paid when the Green Rock share price exceeds a VWAP of \$0.005 (or equivalent price allowing for share capital reconstruction) for a period of at least ten (10) consecutive trading days. The final number of shares issued to be calculated based on \$0.005 per share; and
- (c) \$500,000, or at the election of Asab subject to compliance with ASX Listing Rules, issue the equivalent value in the Company's Shares upon the delineation of a JORC compliant Resource containing greater than 1,000,000 tonnes of contained graphite at >7% total graphite content from the Prospecting Licence.

The value of any Shares to be issued is to be based on the volume weighted average price of the Company's Shares on ASX over the seven days prior to the release of the announcement confirming the achievement of the milestone.

Settlement of the acquisition is conditional upon the satisfaction of the following outstanding conditions precedent:

- (a) the Company receiving all requisite approvals under the Corporations Act and Listing Rules, its Constitution and any other relevant legislation to undertake the acquisition of the Prospecting Licence and issue the consideration, including but not limited to Shareholder approval;
- (b) the Company complying with all conditions that may be imposed by ASX relating to the undertaking of the acquisition, including re-compliance under Chapters 1 and 2 of the Listing Rules;
- (c) the Company raising sufficient funds to meet its obligations under the Mahenge North Option;
- (d) there being no material adverse change to the Prospecting Licence prior to the date of settlement in the sole discretion of the Company, acting reasonably; and
- (e) receipt of all necessary regulatory and tax consents or approvals for the transaction.

Mahenge Graphite Project

On or about 16 September 2014, the Company entered into a share sale agreement with Artemis Corporate Ltd (**Artemis**), Kabunga and CH2 Investments Pty Ltd (**CH2**), being the shareholders of Mahenge Resources Limited (**Mahenge**) to acquire 100% of their interest in Mahenge (**Share Sale Agreement**). Mahenge is the holder of Prospecting Licence Applications HQ P28539 and HQ P 28540 together with Prospecting Licence PL10111/2014 (**Mahenge Licences**).

The Share Sale Agreement superseded an option agreement entered into between the Company and Mahenge, Artemis, Kabunga and CH2 pursuant to which the Company paid \$50,000 plus issued 8,000,000 Shares and a commitment to spend \$20,000 on the Mahenge Licences during the option period.

The consideration for the acquisition of 100% of the shares in Mahenge is 80,000,000 Shares together with the requirement to make the following milestone related payments:

- (a) \$250,000, or at the election of the Company subject to compliance with ASX Listing Rules, issue the equivalent in the Company's Shares upon the delineation of a JORC compliant Resource greater than 250,000 tonnes of contained graphite at >9% total graphite content from the Mahenge Licence; and
- (b) \$375,000 plus \$375,000 in cash or Shares in the Company where the Company is unable to issue Shares upon the delineation of a JORC compliant Resource containing greater than 1,000,000 tonnes of contained graphite at >9% total graphite from the Mahenge Licence.

The value of any Shares to be issued is to be based on the volume weighted average price of the Company's Shares on ASX over the five days prior to the release of the announcement confirming the achievement of the milestone.

Settlement of the Share Sale Agreement is conditional upon the satisfaction of the following outstanding conditions precedent:

- (a) the Company receiving all requisite approvals under the Corporations Act, Listing Rules, Constitution and any other relevant legislation to purchase the shares in Mahenge, including but not limited to Shareholder approval;
- (b) the Company complying with all conditions that may be imposed by ASX relating to the undertaking of the acquisition, including re-compliance under Chapters 1 and 2 of the Listing Rules;
- (c) Mahenge securing the transfer of Mahenge Licences PL10111/2014 into Mahenge;
- (d) there being no material adverse change to the Mahenge Licences prior to the date of settlement in the sole discretion of the Company, acting reasonably; and
- (e) receipt of all necessary regulatory and tax consents or approvals for the transaction.

In addition, the Company agreed to provide a loan to Mahenge for the purpose of Mahenge securing title to Prospecting Licence PL10111/2014. A summary of the terms of the loan agreement is set out in Section 1.15 below.

Remaining Graphite Options

By letter agreement dated 3 October 2014, the Company entered into an exclusive option agreement with Interstate Mining & Minerals (T) Limited (**IMM**) (**GML Option**) relating to five Tanzanian gem stone licences (**GML Permits**).

The material terms of the GML Option are as follows:

- (f) in consideration for payment of the US\$50,000 (non-refundable) option fee to IMM, the Company was given the exclusive option to undertake due diligence on the GML Permits for the purpose of determining whether to acquire, by way of assignment, the mineral rights (excluding a right to any gem stones) (**Mineral Rights**) over the GML Permits (**GML Acquisition**);
- (g) the payment of the GML Option fee is conditional upon receipt by the Company of documentation which establishes, in the Company's sole discretion:
 - (i) that IMM has sole ownership of the GML Permits;
 - (ii) the GML Permits are in good standing; and
 - (iii) that the Mineral Rights can be transferred to the Company on satisfactory terms.
- (h) the GML Option is for a period of 6 months from the date of payment of the GML Option fee (unless extended) and the GML Option can be exercised at any time within this period;
- (i) the GML Acquisition is conditional on completion of the Acquisitions, receipt of all necessary approvals, there being no material adverse change to the GML Permits and other conditions precedent standard for an agreement of this nature.
- (j) the consideration for the GML Acquisition will be:
 - (i) payment of US\$200,000; and
 - (ii) a 1% net smelter royalty on all future graphite produced from the GML Permits; and
- (k) the GML Option is subject to other terms and conditions which are standard for an agreement of this nature.

Also on 3 October 2014 the Company entered into an exclusive option agreement with Kabunga Holdings Limited (**KHL**) (**KHL Option**) relating to five Prospecting Licence Applications (**KHL Permits**).

The material terms of the KHL Option are as follows:

- (a) in consideration for payment of the US\$45,000 (non-refundable) option fee to KHL, the Company was given the exclusive option to undertake due diligence on the KHL Permits;

- (b) the payment of the KHL Option fee is conditional upon receipt by the Company of documentation which establishes, in the Company's sole discretion:
 - (i) that KHL has sole ownership of the KHL Permits;
 - (ii) the KHL Permits are in good standing;
- (c) the KHL Option is for a period of 8 months from the date of payment of the option fee (unless extended) and the KHL Option can be exercised at any time within this period; and
- (d) the KHL Acquisition is conditional on completion of the Acquisitions, receipt of all necessary approvals, there being no material adverse change to the KHL Permits and other conditions precedent standard for an agreement of this nature.
- (e) the consideration for the KHL Option will be:
 - (i) payment of US\$60,000; and
 - (ii) issue of US\$60,000 in Shares.
- (f) the KHL Option is subject to other terms and conditions which are standard for an agreement of this nature.

Milestone Payments to KHL

Milestone Payments to be made to KHL on achievement of JORC compliant Resource on either of the Permits associated with the GML Option or KHL Option:

- (i) AUD\$150,000 cash or, at the sole election of the vendor, subject to compliance with the ASX Listing Rules, the equivalent value in GRK Shares to be paid when GRK announces a JORC compliant Resource with greater than 250,000 tonnes of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price of GRK Shares in the 5 trading days prior to the release of the announcement.
- (ii) AUD\$125,000 cash and the equivalent value of AUD\$125,000 in GRK Shares to be paid when GRK announces a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price of GRK Shares in the 5 trading days prior to the release of the announcement.

1.6 Background on the Projects

Competent Person's Statement

The information in this section that relates to Exploration Results is based on information compiled by Steven Tambanis, who is a member of Australian Institute of Mining and Metallurgy. Steven Tambanis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tambanis consents

to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Following the completion of the Transaction, it is the Company's current intention to focus its exploration expenditure on the Mahenge Graphite Project and Mahenge North Graphite Project to seek to identify and develop a graphite project capable of providing value to Shareholders of the Company.

For this purpose the Company intends to use the funds raised from the Capital Raising in the manner outlined in Section 1.9 below. The Directors consider that following the completion of the Acquisition and the Capital Raising, the Company will have sufficient funds to achieve this objective.

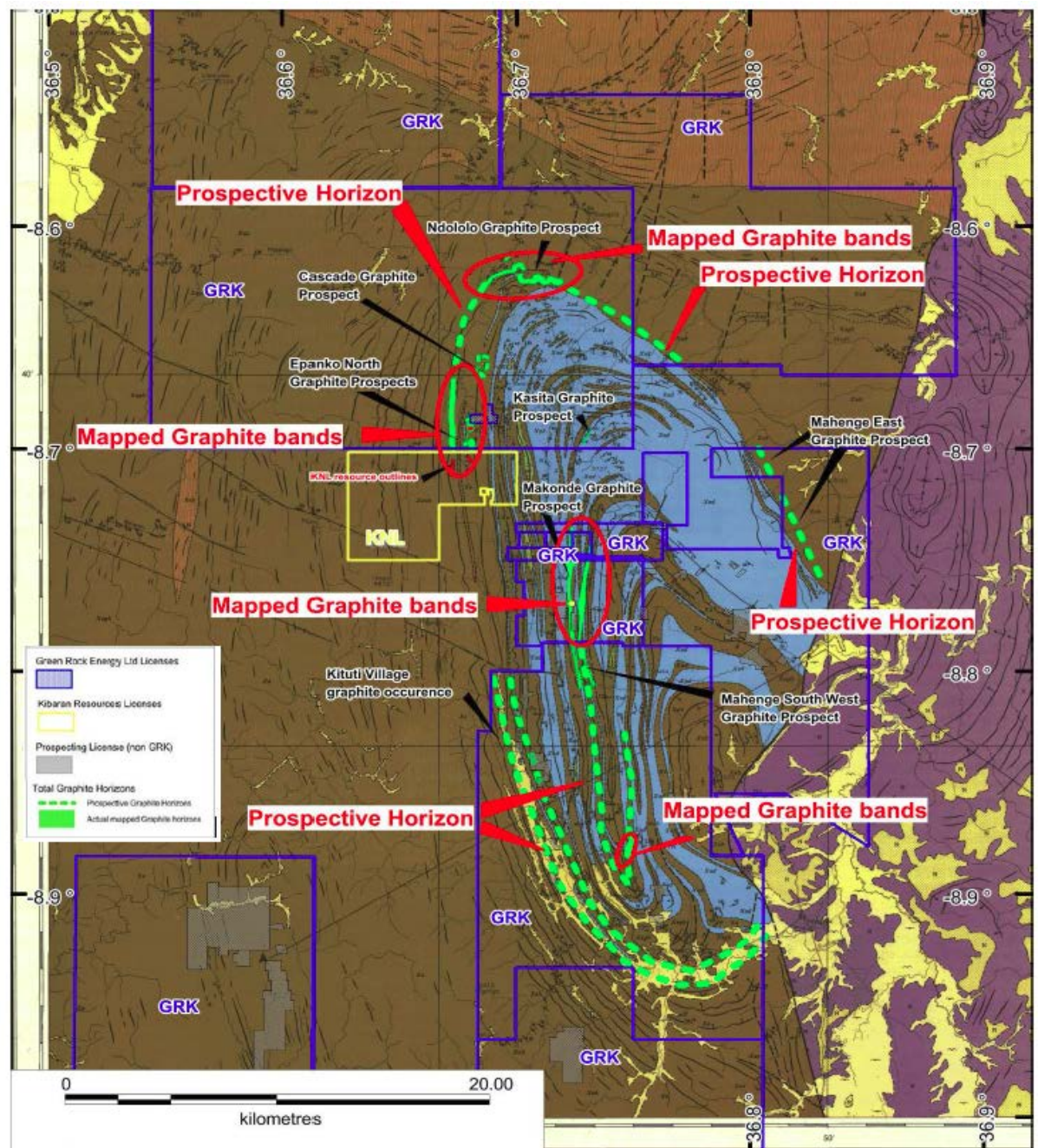
The Projects are all located in South East Central Tanzania as shown in Map 1.

Map 1 – Green Rock Tenements Tanzania



The Projects are hosted within the Precambrian Usagaran group of foliated gneisses, representing the original semi pelitic, pelitic and calcareous sediments. All these rocks have undergone recrystallisation by intense regional metamorphism. The upper sequence of the Usagaran rocks comprise the crystalline limestone group of Mahenge; interbedded dolomitic marbles and gneiss, bounded on the east by Karroo sediments. Several of these interbedded gneiss units are graphite bearing, as initially reported in the early 1940's.

Map 2 – Green Rock Tenements Mahenge Region – Geological setting and Graphite Mineralisation



Little work has been conducted on the Mahenge graphitic units until recently, when Kibaran Nickel (ASX:KNL) explored and defined a JORC compliant resource at its Epanko prospect.

Following entry into the option over the Mahenge Graphite Project, the Company began graphite exploration within the Mahenge region in July 2014, initially evaluating known graphite occurrences but also finding parallel units of graphite bearing gneiss and quartzite. Graphitic gneiss mineralisation has been mapped from 20m to 250m in width, with grades of 5% to 18% TGC from chip sampling outcropping graphitic rock units. Strike length of the graphite lodes has been observed on a kilometre scale.

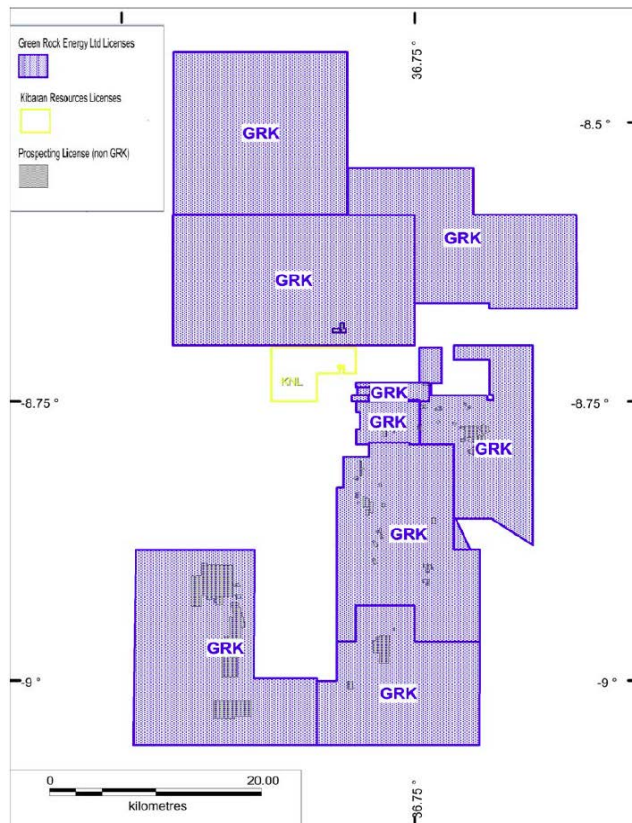
Tenure Description

The Company initially optioned a single tenement (Mahenge Graphite Project) and began a reconnaissance exploration programme to determine graphite potential. Observing extensive graphite mineralisation from a number of lodes within Mahenge North, an additional three tenements were then optioned; Makonde, PL 10111/2014, Mahenge southwest HQ-P28540 and Mahenge east HQ-P28539 (Mahenge North Graphite Project).

In October, the Company announced a further acquisition subject to satisfaction of conditions precedent relating to the GML Option and KHL Option – refer section 1.5 for terms and conditions relating to these agreements. the GML Option include the following permits; GML 294/2008, GML 295/2008, GML 296/2008, GML 297/2008 and GML 298/2008. The KHL Option include the following permits; HQ-P28632, HQ-P28635, HQ-P28636, HQ-P28642 and HQ-P28643.

Map 3 shows the location of the tenements in the Mahenge area.

Map 3 – Green Rock Tenements Mahenge Region



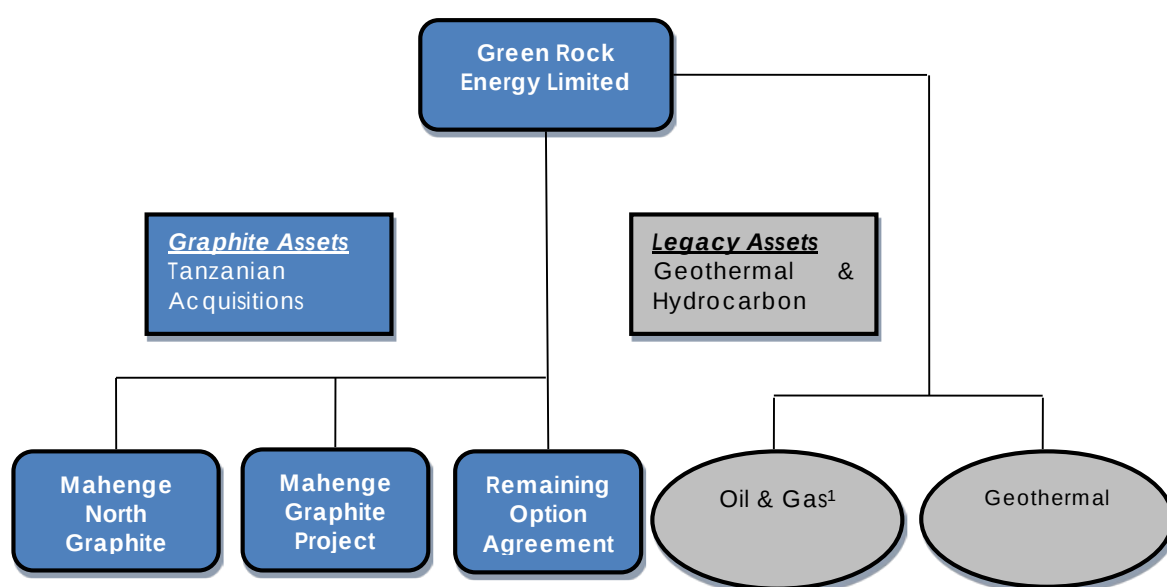
1.7 Existing Activities

The Company currently has some legacy assets associated with its geothermal division. As part of the Company's transition to a graphite focused Exploration Company, it is in the process of relinquishing all of its geothermal assets and will review its holding of its oil & gas permit at Ocean Hills, Western Australia. As a result, the Company has surrendered all of its geothermal permits within Australia, which are currently subject to processing by relevant Government bodies for relinquishment. This relinquishment process has assisted the Company with managing its lease and expenditure obligations attached to the geothermal permits.

The Company has also undertaken to divest the minority interest (35% joint venture with Moly Mines Limited, Hungary) it currently holds in the Jászberény geothermal concession, which covers an area of 396 km² and includes several areas previously drilled by Moly Mines Limited looking for petroleum initiated action.

1.8 Proposed Company Structure

The corporate structure of the Company following the completion of the Acquisitions will be as follows:



1. On 22 October 2014 the Company announced the sale of its remaining Hydrocarbon asset – Ocean Hill to Eneabba Gas Limited. Sale is subject to satisfaction of conditions precedent including the completion of the Transaction.

2. As disclosed in the Company's 2014 annual report, the Company has relinquished and surrendered or is in the process of relinquishing and surrendering all of its Geothermal Assets, except for its Hungarian interest it owns via a joint venture in the Jászberény area in eastern central Hungary. The Company will be seeking to divest its interest in the Jászberény permit in an orderly process.

1.9 Use of funds

Following completion of the Acquisition and Capital Raising, the Company expects to use its cash funds as follows:

Funds available	Full Subscription (\$2,500,000)	Percentage of Funds (%)	Minimum Subscription (\$2,000,000)	Percentage of Funds (%)
Existing cash reserves of the Company ¹	\$620,000	16.1%	\$620,000	18.5%
Funds raised from the Offer	\$2,500,000	64.8%	\$2,000,000	59.6%
Funds received from the sale of Ocean Hills Asset ²	\$300,000	7.8%	\$300,000	8.9%
Repayment of loan from Sunbird Energy Ltd	\$435,000	11.3%	\$435,000	13%
Total	\$3,855,000	100%	\$3,355,000	100%
Allocation of funds	Total	Percentage of Funds (%)		
Exploration on the Mahenge Graphite Project and Mahenge North Graphite Project	\$1,800,000	46.7%	\$1,450,000	43.2%
Conduct of due diligence investigations on Remaining Graphite Options	\$200,000	5.2%	\$100,000	1.5%
Expenses of the Offer ⁵	\$275,000	7.1%	\$245,000	7.3%
Working capital ⁶	\$1,580,000	41%	\$1,610,000	48%
Total	\$3,855,000	100%	\$3,355,000	100%

Notes

1. These funds represent existing cash held by the Company at or around the date of this Notice of Meeting. The Company expects to incur costs within the ordinary course of its business which will diminish this amount prior to completion of the Transaction.
2. On 22 October 2014, the Company announced that it had entered into an agreement to sell its interest in its Ocean Hills oil and gas permit. The Company will receive this amount when the sale is settled together with 40,000,000 shares in Eneabba Gas Ltd, which is expected to occur following the completion of the re-instatement to trading of the Company on ASX.
3. Working capital includes the general costs associated with the management and operation of the business including administration expenses, salaries, directors' fees, rent and other associated costs.

The above table is a statement of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

1.10 Pro-forma capital structure

The pro-forma capital structure of the Company following completion of the change of activities and the Acquisition is set out below:

	Shares	Options	Shares	Options
	\$2.5m raising		\$2m raising	
Current issued capital	2,202,273,091	871,823,128	2,202,273,091	871,823,091
Issue pursuant to acquisition of Mahenge Resources	80,000,000	-	80,000,000	-
Issue pursuant to acquisition of Mahenge North Graphite Project	166,666,667	-	166,666,667	-
Issue to Westoria Capital	16,666,667	-	16,666,667	-
Issue of Options (Resolution 14)		66,000,000		66,000,000
Sub total	2,465,606,425	937,823,128	2,465,606,425	937,823,128
Capital following Consolidation (1 for 20)	123,280,321	46,891,157	123,280,321	46,891,157
Issue of Shares for Capital Raising (Resolutions 7 and 9)	50,000,000	12,500,000	40,000,000	10,000,000
Options issued to Cygnet	-	12,500,000		12,500,000
Total	173,280,321	71,891,157	163,280,321	69,391,157

Notes:

1. Comprising Options on the following terms:
 - (a) 819,823,128 listed Options exercisable at \$0.012 on or before 31 January 2015;
 - (b) 5,550,000 unlisted Options exercisable at \$0.08 on or before 18 November 2014;
 - (c) 5,050,000 unlisted Options exercisable at \$0.04 on or before 16 November 2014;
 - (d) 1,950,000 unlisted Options exercisable at \$0.02 on or before 15 November 2014;
 - (e) 30,000,000 unlisted Options exercisable at \$0.015 on or before 18 March 2015;
 - (f) 2,000,000 unlisted Options exercisable at \$0.008 on or before 11 June 2016; and
 - (g) 7,500,000 unlisted Options exercisable at \$0.003 on or before 28 November 2016.

In addition to the above, the Company proposes issuing 6,700,000 Performance Rights on a post-Consolidation basis on the terms set out in Schedule 2.

1.11 Executive Team

It is proposed that upon completion of the Acquisitions, Steven Tambanis and Stephen Copulos (**Proposed Directors**) will be appointed to the board of the Company and Barnaby Egerton-Warburton and Richard Beresford will resign.

Gabriel Chiappini will remain on the Board. This will provide the company with a relevant, highly experienced and qualified leadership team.

The following profiles are provided for each of the Proposed Directors:

Stephen Copulos – Proposed Non-Executive Chair

Stephen Copulos has over thirty years' experience in a variety of businesses and investments across a wide range of industries, including mining, manufacturing, property development, fast food and hospitality. He has been the Managing Director of the Copulos Group of companies, a private investment group, since 1997 and has extensive experience as a company director of both listed and unlisted public companies in Australia, UK and the USA.

Mr Copulos is an active global investor who brings significant business acumen and great diversity to the Board of Green Rock. In addition to his proposed role with the Company, Mr Copulos is also currently a director of ASX listed company Crusader Resources Ltd (Chairman).

Steven Tambanis – Proposed Managing Director

Steven Tambanis is a geologist and manager with extensive commercial and operational experience gained within small and large exploration and mining companies, corporate banking and broking. Mr Tambanis has gained significant experience working with ASX listed mineral companies, including business development roles at WMC Resources and Goldminex Resources Limited where he held the position of Executive Director.

He is on the Board of West African Gold Limited, a public unlisted mineral exploration company. Over the past three years Mr Tambanis managed all aspects of that company's exploration activities, operations and administration, including the execution of a significant joint venture with ASX listed gold miner, Perseus Mining Limited (ASX:PRU).

Steven is currently serving as the acting Chief Executive Officer of the Company assisting in the exploration of the Mahenge Projects.

Gabriel Chiappini – Non-Executive Director

Mr Chiappini holds a Bachelor of Business and is a Chartered Accountant and member of the Australian Institute of Company Directors with over 18 years' experience in the Commercial Sector. Over the last 13 years Gabriel has held positions of Director, Company Secretary and Chief Financial Officer in both public and private companies with operations in Australia, the United Kingdom and the United States. He has assisted a number of companies list on the ASX and been involved with equity raisings exceeding AUD\$250m. Gabriel has a sound understanding of the Australian Stock Exchange (ASX) Listing Rules and an in depth knowledge of the Corporations Act.

Mr Chiappini currently manages his own consulting firm specialising in providing Director, company secretarial, corporate governance and investor relations services. He currently consults as a Director and Company Secretary to a number

of ASX companies. Gabriel is currently Chairman of ASX listed company Dromana Estate Limited.

1.12 Pro-forma balance sheet

An unaudited pro-forma balance sheet of the Company following completion of the change of activities and the Acquisition and other matters is set out at Schedule 1 to this Notice of Meeting.

1.13 Advantages and disadvantages to the Acquisition

(a) Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on these Resolutions:

- (i) the Acquisitions represent a significant investment opportunity for the Company to enhance its mining interests by focussing on a new exploration mineral in an area with recent exploration success;
- (ii) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisitions;
- (iii) the change of scale by the Company includes the opportunity to undertake a significant capital raising pursuant to the Prospectus that will enable the Company to take advantage of the market opportunities which the Directors believe the Acquisitions present;
- (iv) the Acquisitions and the Capital Raising represent a significant opportunity for the Company to increase the scale of its activities which could increase the number and size of the investor pool that may invest in the Company's Shares; and
- (v) the Board will be bolstered by the addition of two experienced directors, being Stephen Copulos and Steven Tambanis, who will be the new directors of the Company upon completion of the Acquisitions. The Proposed Directors bring with them a mix of corporate and geological experience relevant to the Company's new assets.

(b) Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (i) the Company will be changing the scale of its activities to include the Projects which may not be consistent with the objectives of all Shareholders;
- (ii) the Acquisitions and the capital raising pursuant to the Prospectus will result in the issue of Shares to the Mahenge Vendors and new investors, which will have a dilutionary effect on the holdings of Shareholders;

- (iii) exploration activities on the Projects may not identify an economically viable graphite resource; and
- (iv) there are risk factors associated with the change of nature and scale of the Company's activities, or rather associated with its prospective business and operations. A non-exhaustive list of these risks is set out in Section 1.14 below.

1.14 Risk factors

Specific Risks

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of Mahenge, including risks specific to the business and assets of Mahenge, which include the risk factors set out below.

(a) Risks associated with operating in Tanzania

The Projects are located in Tanzania, which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia. Investing and operating in foreign jurisdictions carry political, economic and other uncertainties, including, but not limited to, changes in mining and exploration policies or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual risk, foreign exchange restrictions, currency exchange rate fluctuation, royalty and tax increase and other risks arising out of foreign government sovereignty over the areas in which the Company's operations will be conducted. Any of these factors could result in conditions that delay or in fact prevent the Company from exploring or ultimately developing any of the foreign projects.

If the Acquisition is successful, the Company will be exposed to the risks of operating in such a jurisdiction, including, without limitation:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

The commitment to local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

No assurance can be given regarding future stability in these or any other country in which the Company may have an interest.

(b) Reinstatement to ASX's official list

It is anticipated that the Company's Shares will be suspended or placed in a trading halt prior to market open on the date of the Meeting. In the event the Transaction Resolutions are approved at the Meeting, it is anticipated that the Company's securities will remain suspended until Completion of the Acquisition, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its listed Securities may consequently remain suspended from quotation.

(c) Tenure and access for tenements in Tanzania

Mining and exploration tenements in Tanzania are subject to periodic renewal. Where a licensee has met the terms of the grant, renewal will not be denied. However, if development conditions are not met there is no guarantee that current or future tenements or future applications for production tenements will be approved.

(d) Compulsory work obligations for tenements in Tanzania

Tenements in Tanzania are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. If there is a failure to meet the commitments, this could lead to forfeiture of the particular tenement.

(e) Environmental and other regulatory risks

Environmental legislation is evolving in a manner which will likely require stricter standard and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulations in Tanzania, if any, will not materially and adversely affect the Company's business, prospects, financial condition and results of operations.

Various governmental approvals and permits will also be required in connection with various aspects of the Company's operations from time to time. To the extent such approvals or permits are required and not obtained; the Company may be delayed or prevented from proceeding with planned exploration or development.

(f) Additional requirements for capital risk

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its operations and scale back its mining and exploration programmes as the case may be.

(g) **Exploration and development risks**

The business of graphite exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the existing projects or the new assets, undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(h) **Contractual Risk**

Pursuant to the Share Sale Agreement and term sheet, the key terms of which are summarized in Section 1.5 above, the Company has agreed to acquire 100% of Mahenge (and in turn the Mahenge Projects) subject to

the fulfillment of the Conditions Precedent, including the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of the ASX.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their respective obligations under the Share Sale Agreement and term sheet. If the parties default in the performance of its obligations, the Share Sale Agreement and term sheet may be terminated and it may be necessary for the Company to approach the Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

(i) Competition risk

The Company will be participating in a highly competitive market, however there are few if any specific competitors who have a dominant market share and dictate the structure or practices in the market.

The fact that there are no dominant competitors makes market entry and penetration easier but not without the need to ensure that the Company can position and differentiate itself to gain market share. There is no certainty that the Company will be successful in this market.

(j) Dilution risk

The Company currently has 2,202,273,091 Shares and 871,823,128 Options on issue (on a pre-Consolidation basis) equivalent to 110,113,655 Shares and 43,591,157 Options (on a post-Consolidation basis) and will issue up to a further 63,166,667 Shares and up to a further 25,000,000 Options (on a post-Consolidation basis) if the Acquisition is completed.

Upon issue of these securities and the minimum subscription of the Shares under the Prospectus (assuming no exercise of Options), the existing Shareholders will retain approximately 66% of the issued capital of the Company, new Shareholders investing via the Prospectus will hold approximately 25% with the Mahenge Vendors holding 9% of the issued capital of the Company respectively.

(k) Reliance on key personnel and the need to attract qualified staff

The Company's success depends on the core competencies of its Directors and management team to operate in the resource and mining industry. The loss of one or more of these persons could adversely affect the growth prospects, operating results and financial performance of the Company.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

General risks

(a) Potential acquisitions risk

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any

such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(b) **Economic risks**

General economic conditions and movements in interest, inflation and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(c) **Market conditions risk**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

(d) **General economic and political risks**

Changes in the general economic and political climate in Australia, Tanzania and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any financial services activities that may be conducted by the Company.

(e) **Competition risk**

The Company will compete with other companies for a share of the financial services market. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(f) **Regulatory risk**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(g) **Insurance risk**

Insurance against all risks associated with the Company's activities is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

1.15 Other material contracts

In addition to the agreements summarised in Section 1.5 above. The Company has entered into the following material agreements relevant to the Acquisitions and the Capital Raising.

Loan Agreement

The Company has entered into a loan agreement with Mahenge Resources Limited (**Mahenge**) to provide a loan of US\$110,000 to Mahenge for the purpose of Mahenge exercising an option it had acquired over Prospecting Licence PL10111/2014. The Company provided the loan funding in September 2014.

No interest is payable on the loan amount.

The loan is only repayable where the Company does not complete the acquisition of 100% of the shares in Mahenge as contemplated, in which case the loan must be repaid by Mahenge to the Company within three months of the date that it is determined that the acquisition of Mahenge will not proceed.

Westoria Consultancy Agreement

The Company has entered into a consultancy agreement with Westoria Capital Pty Ltd (**Westoria**) pursuant to which the Company engaged Westoria to provide project management, geological site and field services, administration and accounting services in respect of the Company's projects in Tanzania.

The Company will pay Westoria a monthly fee of \$5,000 per month for the provision of these services together with out of pocket expenses of Westoria (subject to a \$250 approval limit). The fees charged for geological site and field services are at current standard rates.

The Company is also obliged to pay to Westoria a total of 23,333,334 Shares as a success fee following the entry into the agreement to acquire 100% of the shares in Mahenge.

Notwithstanding that the corporate consultancy arrangement has expired, the Company continues to engage Westoria for geological site and field services on an ad hoc basis.

Cygnet Mandate

The Company has entered into a mandate with Cygnet Capital Pty Ltd (**Cygnet**) to engage Cygnet as the lead manager of the Capital Raising.

The Company will pay Cygnet 1% management fee and 5% placement fee in relation to funds raised under the Capital Raising and issue 12,500,000 Options to Cygnet (the subject of Resolution 13).

1.16 What if the Acquisition does not proceed?

If the conditions to the Acquisition are not satisfied or waived, including if the Resolutions in this Notice are not passed, the Acquisition will not proceed and the Company will continue in its current form.

However, the Company is likely to continue to investigate new opportunities outside of its current oil and gas exploration and development sector.

1.17 Directors' Recommendation

No Director currently has any interest in the Projects. The Directors recommend that Shareholders vote in favour of each of the Resolutions (including the Transaction Resolutions) and consider the Acquisition to be beneficial to Shareholders because of the advantages set out in Section 1.13(a).

2. RESOLUTION 1 – CHANGE TO THE NATURE AND SCALE OF THE COMPANY

2.1 Background

Resolution 1 seeks the approval of Shareholders for a change to the nature and scale of the activities of the Company to change the focus of the Company's exploration activities towards graphite exploration in Tanzania.

A detailed background on the Acquisitions proposed and the effect on the Company is set out in Section 1 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the Official List of ASX.

Given the change in the nature and scale of the Company's activities upon completion of the Acquisition, the Company has been required by ASX to obtain Shareholder approval.

ASX has advised the Company that the proposed Acquisition will trigger a need to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

Accordingly, the Company is seeking Shareholder approval pursuant to this Resolution for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.3.

3. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

3.1 Background

The Directors are seeking Shareholder approval to consolidate the number of Shares on issue on a 1 for 20 basis and otherwise on the terms and conditions set out in this Resolution, and to adjust the terms and conditions of all Options on issue in light of the Consolidation in accordance with ASX Listing Rule 7.22.1 (**Consolidation**). The Consolidation is required to ensure the capital of the Company is appropriate for the Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules.

Section 254H of the Corporations Act provides that a company may, by a resolution passed in a general meeting of shareholders, convert all or any of its shares into a larger or smaller number of shares.

If this Resolution is passed, the total number of Shares and Options on issue will be reduced in accordance with the table set out in Section 1.10. Further, the exercise price of the Options on issue as at the time the Consolidation becomes effective will increased by a multiple of 20.

As from the effective date of this Resolution (being the date on which the Company advises the ASX that this Resolution has been approved by Shareholders, assuming it is approved), all holding statements for Shares and Options will cease to have any effect, except as evidence of entitlement to a certain number of post-Consolidation Shares and Options. After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders and Option holders.

3.2 Fractional entitlements and taxation

Not all Shareholders and Option holders will hold that number of Shares and Options which can be evenly divided by 20. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation consequences will exist for Shareholders or Option holders arising from the Consolidation. However, Shareholders and Option holders are advised to seek their own tax advice on the effect of the Consolidation. Neither the Company nor any member of the Board (or the Company's advisers) accepts any responsibility for the individual taxation consequences arising from the Consolidation.

4. RATIFICATION OF PREVIOUS ISSUES OF SHARES – RESOLUTIONS 3 TO 6

4.1 Background

Pursuant to, and for the purposes of enable the Company to acquire the Graphite Options, the Company has made the following issue of Shares, all of which occurred without Shareholder approval under the Company's 15% placement authority under Listing Rule 7.1 and 10% placement authority under Listing Rule 7.1A:

- (a) 33,333,333 Shares on 10 July 2014 (**Resolution 3**);
- (b) 6,666,667 Shares on 17 July 2014 (**Resolution 4**);
- (c) 213,000,000 Shares on 28 July 2014 (**Resolution 5**); and

- (d) 8,000,000 Shares on 15 September 2014 (**Resolution 6**), (together, the **Previous Issues**).

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

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

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

4.2 Resolution 3 – Prior issue of Shares to Kabunga Holdings Pty Ltd and Praxis Global Pty Ltd

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) a total of 33,333,333 Shares were issued;
- (b) 31,666,667 Shares were issued to Kabunga Pty Ltd and 1,666,666 were issued to Praxis Global Pty Ltd. The Shares were issued for a deemed issue price of \$0.0015 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the recipients are not related parties of the Company; and
- (e) no funds were raised from the issue of these Shares as they were issued as consideration for the grant of the option to acquire the Mahenge Graphite Project from the holders of the tenements.

4.3 Resolution 4 – Prior issue of Shares to Westoria Capital Pty Ltd

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) a total 6,666,667 Shares were issued;
- (b) the Shares were issued to Westoria Capital Pty Ltd, they were issued for a deemed issue price of \$0.0015 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) Westoria Capital Pty Ltd is not a related party of the Company; and

- (e) no funds were raised from the issue of the Shares, as they were issued as consideration for the provision of geological consulting services associated with the investigation on the Graphite Options.

4.4 Resolution 5 – Prior issue of Shares pursuant to placement

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) a total 213,000,000 Shares were issued;
- (b) the Shares were issued to institutional investors at an issue price of \$0.003 per Share to raise approximately \$639,000 pursuant to the Placement;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) none of these subscribers of the Shares were related parties of the Company; and
- (e) the funds raised from the issue of the Shares were used for general working capital purposes and to fund the undertaking of the due diligence investigations on each of the Graphite Options.

4.5 Resolution 6 – Prior issue of Shares to Mahenge Resources Limited

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (a) a total 8,000,000 Shares were issued;
- (b) the Shares were issued to the Mahenge Vendors. The Shares were issued for a deemed issue price of \$0.004 per Share;
- (c) the Ratification Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) none of these subscribers of the Shares are related parties of the Company; and
- (e) no funds were raised from the issue of these Shares as they were issued as consideration for the acquisition of the option over the Mahenge North Graphite Project.

5. RESOLUTION 7 – ISSUE OF SHARES UNDER PROSPECTUS

5.1 Background

Resolution 7 seeks the approval of Shareholders to enable the Company to undertake the Capital Raising for the purpose of satisfying the ASX Listing Rule conditions for the re-instatement to trading of the Company following the completion of the Acquisition.

On 22 October 2014, ASX granted the Company a waiver to enable the Company to undertake the Capital Raising at 5 cents per Share and to have Options on issue with an exercise price less than 20 cents. The waiver is conditional upon

Shareholders approving the price at which the Capital Raising is being undertaken.

A summary of ASX Listing Rule 7.1 is contained in Section 4.1 above.

Resolutions 8 and 9 seek approval for specific parties to participate in the Capital Raising. Shareholders should note that any Shares issued under those Resolutions will be deducted from the number of Shares and Options issued under this Resolution 7 such that the total number of Shares and Options issued for the Capital Raising is not more than 50,000,000 Shares and 12,500,000 Options (on a post-Consolidation basis).

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) the maximum number of Shares and Options to be issued is 50,000,000 Shares and 12,500,000 Options on a post-Consolidation basis;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will progressively;
- (c) the Shares will be issued for \$0.05 per Share and the Options will be issued for nil cash consideration on the basis of one Option for every four Shares subscribed for;
- (d) the Options will be issued to applicants under a prospectus to be issued by the Company, and no Securities under this Resolution 7 will be issued to related parties;
- (e) the Shares will be issued on the same terms and conditions as the Company's existing Shares on issue (on a post-Consolidation basis) and the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) the funds raised from the issue will be used in the manner set out in Section 1.9 above.

6. RESOLUTION 8 – APPROVAL OF ISSUE OF SECURITIES TO COPULOS GROUP UNDER THE CAPITAL RAISING

6.1 Background

As set out in Section 5 above, Eyeon Investments Pty Ltd (**Eyeon Investments**), an entity associated with proposed Director Mr Stephen Copulos has agreed to support the Capital Raising up to \$1,000,000, representing 20,000,000 Shares and 5,000,000 Options on a post-Consolidation basis.

Given the voting power of the Copulos Group prior to the issue of these Shares and Options, the participation of Eyeon Investments in the Capital Raising will see the voting power of the Copulos Group increase above 20%.

In addition, it is proposed that Eyeon Investments (or his nominee) be issued Performance Rights in the Company, which, if converted could also see the voting power of the Copulos Group increase further above 20%.

Details of the entities in the Copulos Group are set out in this Section 6.

6.2 General

Resolution 8 seeks Shareholder approval for the purpose of Item 7 of Section 611 of the Corporations Act to allow the Company to issue 20,000,000 Shares (**New Shares**) to Eyeon Investments under the Capital Raising. The issue of the New Shares, when aggregated with the existing Shares held by the Copulos Group, will result in the voting power of the Copulos Group increasing from 17.08% up to 23.77%.

Resolution 8 also seeks Shareholder approval for the issue of 5,000,000 Options to Eyeon Investments under the Capital Raising on the terms of the Capital Raising (**New Options**), and for the future issue of up to 5,000,000 Shares upon the exercise of the New Options.

If all of the New Options are issued and exercised, it will result in the Copulos Group voting power in the Company increasing to up to 26.04%, assuming no other Shares are issued and no other Options are exercised.

Finally, Resolution 8 also seeks Shareholder approval for the issue of 1,675,000 Performance Rights to Eyeon Investments and for the future issue of 1,675,000 Shares upon the conversion of those Performance Rights.

If all of the Performance Rights are converted, it will result in the Copulos Group's voting power in the Company increasing to up to 26.77%, assuming no other Shares are issued, Options exercised or other Performance Rights converted.

In addition, approval under Listing Rule 10.11 is sort because Mr Copulos is a proposed Director of the Company and is an associate of Eyeon Investments. ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. If Shareholders approve the issue of securities pursuant to Resolution 8, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the New Shares, New Options and Performance Rights constitutes giving a financial benefit and Eyeon Investments is a related party of the Company by virtue of being an associate of a proposed director, Mr Stephen Copulos.

The existing Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the issue of the New Shares and New Options to Eyeon Investments is on the same terms as all other non-related participants in the

Capital Raising and the issue of the Performance Rights is reasonable remuneration given the number of Performance Rights to be issued, the salary being paid to current Directors and terms of the Performance Rights.

6.3 Item 7 of Section 611 of the Corporations Act

(a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%,

(Prohibition).

(b) Voting Power

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) Copulos Group existing holding in the Company

Mr Stephen Copulos (or his Associates) under the Capital Raising currently holds the following Shares and/or Options in the Company:

Current holdings of the Copulos Group under the Capital Raising:

Shares	Options	Performance Rights	Voting Power
376,154,763	Nil	Nil	17.08%

Following the Consolidation, the number of Shares held by the Copulos Group is expected to be 18,807,739 Shares (subject to rounding).

Following the Capital Raising, the Copulos Group interest in Shares, Options and Performance Rights in the Company and resulting voting power in the Company, will be as follows:

Holdings of Copulos Group under the Capital Raising following the Issue

Shares	Options	Performance Rights	Voting Power
38,807,7391	5,000,000	1,675,000	23.77%

1. Following the 20 to 1 Consolidation and the issue the minimum of 20,000,000 Shares under the Capital Raising.

(d) Associates

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an “associate” of the other person (**first person**) if:

- (i) (pursuant to Section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:
 - (A) a body corporate the first person controls;
 - (B) a body corporate that controls the first person; or
 - (C) a body corporate that is controlled by an entity that controls the person;
- (ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(e) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, Section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (iv) a body corporate in which the person's voting power is above 20%;
- (v) a body corporate that the person controls.

(f) **Associates of Eyeon Investments under the Capital Raising**

For the purpose of the Corporations Act, the following persons are deemed to be associates of the Eyeon Investments:

- (i) Mr Stephen Copulos;

- (ii) Supermax Pty Ltd; and
 - (iii) Eyeon No.2 Pty Ltd,
- (together, the **Copulos Group**).

The nature of each of the person's relevant interest is summarised below:

Name of party to whom "Associate" reference relates	Name of Associate	Reason for association
Eyeon Investments Pty Ltd	Stephen Copulos	Director and controller of Eyeon Investments Pty Ltd, Supermax Pty Ltd and Eyeon No.2 Pty Ltd
Eyeon Investments Pty Ltd	Supermax Pty Ltd	Controlled by Stephen Copulos
Eyeon Investments Pty Ltd	Eyeon No.2 Pty Ltd	Controlled by Eyeon Investments

(g) **Control**

The Corporations Act defines "control" and "relevant agreement" very broadly as follows:

- (i) Under section 50AA of the Corporations Act control means the capacity to determine the outcome of decisions about the financial and operating policies of the Company.
- (ii) Under Section 9 of the Corporations Act, a relevant agreement includes an agreement, arrangement or understanding whether written or oral, formal or informal and whether or not having legal or equitable force.

6.4 Reason Section 611 Approval is Required

Item 7 of Section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Following the issue of the New Shares, the Copulos Group will have a relevant interest in 38,807,739 post-Consolidation Shares in the Company, representing 23.77% voting power in the Company. This assumes that no other Shares are issued (other than under the Capital Raising) or Options are exercised.

Further, following the issue of the New Options, Mr Stephen Copulos (or his Associates) under the Capital Raising will be entitled to exercise the New Options and be issued up to 5,000,000 additional Shares. This would increase the Copulos Group's voting power to 26.04%. This also assumes that no other Shares are issued or Options are exercised.

Finally, Eyeon Investments is also to be issued 1,675,000 Performance Rights. Where the performance hurdles of those Performance Rights are met, 1,675,000 new

Shares will be issued to Eyeon Investments. This would increase the voting power of the Copulos Group to 26.77%.

Accordingly, Resolution 8 seeks Shareholder approval for the purpose of Section 611 Item 7 and all other purposes to enable the Company to issue the New Shares to Eyeon Investments and to enable the Copulos Group to exercise the New Options and convert the Performance Rights.

In addition, the Associates identified in section 6.3(f) above will have a relevant interest in any securities held by Eyeon Investments.

Shareholder approval is required to enable these parties to acquire a relevant interest in the securities issued to Eyeon Investments as their voting power in the Company could also increase above 20%.

6.5 Specific Information required by Section 611 Item 7 of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by RM Corporate Finance Pty Ltd annexed to this Explanatory Statement.

(a) Identity of the Acquirer and its Associates

It is proposed that Eyeon Investments will be issued the New Shares, New Options and Performance Rights as set out in Section 6.1 of this Explanatory Memorandum.

The identity of the Associates of Eyeon Investments and the nature of their relevant interest is summarised in Section 6.3(f) of this Explanatory Statement.

(b) Relevant Interest and Voting Power

Relevant Interest

The relevant interests of Eyeon Investments and its Associates in voting shares in the capital of the Company (both current, and following the issue of the New Securities to Eyeon Investments as contemplated by this Notice) are set out in the table below (shown on a post-Consolidation basis):

Party	Relevant Interest as at the date of this Notice of Meeting	Relevant Interest after the issue of the New Shares , New Options and Performance Rights	Relevant Interest after exercise of the New Options	Relevant Interest after exercise of New Options and conversion of Performance Rights
Stephen Copulos	18,807,739 ¹	38,807,738	43,807,738	45,482,738
Eyeon Investments Pty Ltd	12,741,072 ²	32,741,072	37,741,072	39,416,072
Supermax Pty Ltd	6,066,667 ³	6,066,667	6,066,667	6,066,667
Eyeon No.2 Pty Ltd	5,862,747 ⁴	5,862,747	5,862,747	5,862,747

1. Calculated following the Consolidation on a 20 to 1 basis of 376,154,763 existing Shares.
2. Calculated following the Consolidation on a 20 to 1 basis of 254,811,430 existing Shares.
3. Calculated following the Consolidation on a 20 to 1 basis of 121,333,333 existing Shares.
4. Calculated following the Consolidation on a 20 to 1 basis of 117,254,940 existing Shares.

The Copulos Group does not have any contract, arrangement or understanding relating to the controlling or influencing of the composition of the Company's board or the conduct of the Company's affairs, nor are any of those persons proposing to act in concert in relation to the Company's affairs.

(i) **Voting Power**

The maximum voting power of the Copulos Group (both current, and following the issue of the New Securities to Eyeon Investments as contemplated by this Notice) is set out in the table below:

Party	As at the date of this Notice of Meeting	After issue of the New Shares and New Options	After exercise of the New Options	After exercise of the New Options and conversion of the Performance Rights
Copulos Group	17.08%	23.77%	26.04%	26.77%

Further details on the voting power of the Copulos Group are set out in the Independent Expert's Report prepared by RM Corporate Finance Pty Ltd.

(ii) **Summary of increases**

From the above chart it can be seen that the maximum relevant interest that Copulos Group will hold after completion of the Issue (and after the exercise of all of the New Options and Performance Rights) is 45,482,738 Shares, and the maximum voting power that will hold is 26.77%. This represents a maximum increase in voting power of 9.69% (being the difference between 17.08% and 26.77%).

(iii) **Assumptions**

Note that the following assumptions have been made in calculating the above:

- (A) the Company has 2,202,273,091 Shares on issue as at the date of this Notice of Meeting;
- (B) the Company undertakes a consolidation on a 20 to 1 basis;
- (C) the Company does not issue any additional Shares other than pursuant to the Capital Raising, the New Options and the Performance Rights;

- (D) no other Existing Options are exercised; and
- (E) the Copulos Group does not acquire any additional Shares other than under the New Options exercise or conversion of the Performance Rights.

(c) **Reasons for the proposed issue of securities**

As set out in Section 6.1 of this Explanatory Statement, the reason for the issue of securities to Eyeon Investments is to assist the Company in the completion of the Capital Raising and therefore complete the change to the Company's activities.

(d) **Date of proposed issue of securities**

The New Shares, New Options and Performance Rights the subject of Resolution 8 will be issued on a date after the Meeting to be determined by the Company.

(e) **Material terms of proposed issue of securities**

As set out in section 6.1 of this Explanatory Statement, the Company is proposing to issue:

- (i) 20,000,000 New Shares at a price of \$0.05 per Share; and
- (ii) 5,000,000 New Options for nil cash consideration on the terms set out in Schedule 3; and
- (iii) 1,675,000 Performance Rights for nil cash consideration on the terms set out in Schedule 2.

(f) **Copulos Group Intentions**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that the Copulos Group:

- (i) has no present intention of making any significant changes to the business of the Company;
- (ii) has no present intention to inject further capital into the Company;
- (iii) has no present intention regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any property between the Company and the Copulos Group; and
- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Copulos Group under the Capital Raising at the date of this document.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) Interests and Recommendations of Directors

None of the current Board members have a material personal interest in the outcome of Resolution 8.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8. The Director's recommendations are based on the reasons outlined in section 6.6 below.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 8.

(h) Capital Structure

The New Shares, New Options and Performance Rights are being issued as part of the over Capital Raising and transaction to acquire the new graphite assets in Tanzania.

6.6 Advantages of the Issue – Resolution 8

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 8:

- (a) the issue of the New Shares to Eyeon Investments will assist the Company complete the Capital Raising, complete the Acquisitions and be re-instated to trading on ASX;
- (b) the funds raised will enable the Company to be re-instated to trading on ASX and complete the Acquisitions;
- (c) the Copulos Group is a strong institutional shareholder partner who will add value to the Company's strategic goals;
- (d) if the New Options are issued to and exercised by Eyeon Investments, additional funds of \$250,000 will be raised from the exercise price of the New Options;
- (e) RM Corporate Finance Pty Ltd has concluded that the issue of the New Shares is fair and reasonable to the non-associated shareholders.

6.7 Disadvantages of the Issue – Resolution 8

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 8:

- (a) the issue of the New Shares to Eyeon Investments will increase the voting power of the Copulos Group from 17.08% to 23.77%, reducing the voting

power of non-associated Shareholders in aggregate from 82.92% to 76.23%; and

- (b) the issue of the New Options will not increase the voting power of the Copulos Group, however if all the New Options are issued to Eyeon Investments and exercised by Eyeon Investments, the issue of Shares upon the exercise of the New Options will further increase the voting power of the Copulos Group from 23.77% to 26.04% reducing the voting power of non-associated Shareholders in aggregate from 76.23% to 73.96% (assuming no other Shares are issued and no Existing Options exercised).

6.8 Independent Expert's Report – Resolution 8

The Independent Expert's Report prepared by RM Corporate Finance Pty Ltd (a copy of which is attached as the Annexure to this Explanatory Statement) assesses whether the transactions contemplated by Resolution 8 are fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by Resolution 8 are fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

6.9 Performance Rights

As part of this Resolution 8, the Company seeks approval to issue Performance Rights to Eyeon Investments. The issue of the Performance Rights is intended to recognise the role that Mr Stephen Copulos will play as a proposed Director of the Company following the completion of the Acquisitions. Resolutions 15 and 16 seek approval to issue Performance Rights to each of Messrs Tambanis and Chiappini, the other persons expected to be directors of the Company following completion of the Acquisitions (Mr Chiappini is a current Director also. Shares are directed to Section 12 for information on the Performance Rights being issued to those two parties for additional information.

6.10 Technical information required by ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in Section 6.1 above.

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the New Shares, New Options and Performance Rights:

- (a) the number of New Shares to be issued is 20,000,000 and the maximum number of New Options to be issued is 5,000,000 Options;
- (b) the maximum number of Performance Rights is 1,675,000 Performance Rights as follows:
 - (i) Tranche A Performance Rights: 558,334;
 - (ii) Tranche B Performance Rights: 558,333; and
 - (iii) Tranche C Performance Rights: 558,333;

- (c) the Shares, Options and Performance Rights will be issued no later than 1 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issues will occur on the same date;
- (d) the issue price of the New Shares will be \$0.05 per Share;
- (e) the issue price of the New Options will be nil as they will be issued free attaching with the Shares on a 1 for 4 basis;
- (f) the issue price of the Performance Rights will be nil;
- (g) the New Shares, New Options and Performance Rights will be issued to Eyeon Investments;
- (h) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (i) the Options will be issued on the terms and conditions set out in Schedule 3;
- (j) the Performance Rights will be issued on the terms and conditions set out in Schedule 2; and
- (k) funds raised from the Shares issued under Resolution 8 will be used together with the funds raised under Resolution 7 in the manner outlined in Section 1.9 above.

6.11 Pro forma balance sheet

A pro forma balance sheet of the Company post the completion of the issue and other transactions the subject of this Notice of Meeting is set out in Schedule 1.

7. RESOLUTION 9 – PARTICIPATION OF DIRECTORS IN CAPITAL RAISING

7.1 General

Pursuant to Resolution 9 the Company is seeking Shareholder approval to enable the existing Directors (or their nominated entities) to participate in the Capital Raising a cumulative amount of up to 900,000 Shares and 225,000 Options on the same terms and conditions as other investors under the Capital Raising. As at the date of this Notice, the Directors have not yet determined which of them (or for how much) will participate in the Capital Raising, but it will not be more than the maximum limit outlined for each Director in this Resolution.

Any Shares and Options issued to the Directors will be deducted from the Shares and Options issued under Resolution 7.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares and Options which constitutes giving a financial benefit and the Directors are each a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of this participation because the Shares and Options will be issued to any participating Directors on the same terms as Shares and Options issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

7.3 ASX Listing Rule 10.11

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

As the participation in the Capital Raising involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares and Options will be issued to any or Gabriel Chiappini, Barnaby Egerton-Warburton and/or Richard Beresford who elect to participate in the Capital Raising (or their respective nominees) up to the following limits for each Director:

	Shares	Options
Mr Richard Beresford	200,000	50,000
Mr Gabriel Chiappini	500,000	125,000
Mr Barnaby Egerton-Warburton	200,000	50,000
	900,000	225,000

- (b) the maximum number of Shares and Options to be issued under this Resolution is 900,000 Shares and 225,000 Options (on the basis of one Option for every four Shares in the Capital Raising) where each of the Directors applies for the maximum number of Shares and Options set out in (a) above;
- (c) the Shares and Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

- (d) the issue price will be \$0.05 per Share, being the same as all other Shares issued under the Capital Raising. The Options will be issued for nil cash consideration. Each Director will be required to subscribe for the Shares and Options under the Capital Raising, but their cumulative applications may not exceed the limited outlined in (b) above;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (g) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in section 1.9 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Gabriel Chiappini (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. APPROVAL FOR ISSUE OF SHARES TO COMPLETE ACQUISITIONS – RESOLUTIONS 10 AND 11

8.1 General

Resolutions 10 and 11 seek approval for the issue of Shares required to be issued to complete the acquisition of the Mahenge Project in Tanzania, comprising the Mahenge North Graphite Project and the Mahenge Graphite Project. As summary of the key terms of those agreements is outlined in Section 1.5 above.

A summary of the requirements of ASX Listing Rule 7.1 is outlined in Section 7.1 above.

The effect of the passing of each of Resolutions 10 and 11 will be to allow the Company to issue these Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Resolution 10 – Issue of Shares to Mahenge Resources shareholders

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) the maximum number of Shares to be issued is up to 80,000,000 pre-Consolidation Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares are being issued as consideration for the acquisition of 100% of the shares in Mahenge Resources at a deemed issue price of \$0.05 per Share;

- (d) the Shares will be issued to the following vendors of shares in Mahenge Resources, none of whom are related parties of the Company:

Mahenge Resources shareholder	No. of Shares
Artemis Corporate Ltd	26,666,666
Kabungu Holdings Pty Ltd	26,666,666
CH2 Investments Pty Ltd	26,666,667

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as they are being issued as consideration for the acquisition of 100% of the shares in Mahenge Resources.

8.3 Resolution 11 – Issue of Shares to acquire Mahenge North Graphite Project

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 11:

- (a) the maximum number of Shares to be issued is up to 166,666,667 pre-Consolidation Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares are being issued as consideration for the acquisition of the tenements comprising the Mahenge North Graphite Project at a deemed issue price of \$0.05 per Share;
- (d) the Shares will be issued to the following vendors of the tenements comprising the Mahenge North Graphite Project, none of whom are related parties of the Company:

Mahenge Resources shareholder	No. of Shares
Kabungu Holdings Pty Ltd	33,333,333
Asab Resources (Tanzania) Limited	133,333,334

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as they are being issued as consideration for the acquisition of the tenements comprising the Mahenge North Graphite Project in Tanzania.

9. RESOLUTION 12 – APPROVAL FOR ISSUE OF SHARES TO WESTORIA CAPITAL PTY LTD

9.1 Background

Resolution 12 seeks the approval of Shareholders for the issue of 16,666,667 pre-Consolidation Shares to Westoria Capital Pty Ltd in consideration for consulting services that have been provided by Westoria under the Consulting Agreement. Westoria's services have been providing assistance to the Company in identifying and completing due diligence investigations on the Projects.

9.2 ASX Listing Rules

A summary of the requirements of Listing Rule 7.1 is set out in Section 4.1 above.

The effect of approving Resolution 12 will be to allow the Company to issue the Shares to Westoria without using the Company's 15% placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 12:

- (a) the maximum number of Shares to be issued is up to 16,666,667 pre-Consolidation Shares;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Shares are being issued as consideration for the provision of consulting services by Westoria to the Company valued at \$25,000, for a deemed issue price of \$0.0015 per Share;
- (d) the Shares will be issued to Westoria. Westoria is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as they are being issued as consideration for the provision of consulting services being provided by Westoria.

10. RESOLUTION 13 – ISSUE OF OPTIONS TO CYGNET CAPITAL

10.1 General

This Resolution seeks Shareholder approval for the issue of 12,500,000 Options in consideration for services provided by Cygnet Capital.

A summary of ASX Listing Rule 7.1 is set out in section 4.1 above.

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

10.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 13:

- (a) the maximum number of Options to be issued is 12,500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will progressively;
- (c) the Options will be issued for nil cash consideration in satisfaction of services provided by Cygnet Capital Pty Ltd;
- (d) the Options will be issued to Cygnet Capital Pty Ltd, who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) no funds will be raised from the issue of Options as they are being issued in consideration for acting as the Lead Manager in relation to the Prospectus.

11. RESOLUTION 14 – APPROVAL FOR ISSUE OF OPTIONS FOR PLACEMENT

11.1 General

Resolution 14 seeks Shareholder approval for the issue of up to 66,000,000 Options (on a pre-Consolidation basis).

On 23 July 2014, the Company announced that it had completed a placement of 213,000,000 Shares at \$0.003 per Share to raise approximately \$639,000. It was a term of that placement that the Company also issue investors 66,000,000 Options exercisable at \$0.01, subject to the receipt of Shareholder approval.

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

The effect of Resolution 14 will be to allow the Company to issue the Options pursuant to Resolution 14 during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

11.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 66,000,000 Options on a pre-Consolidation basis (being approximately 3,330,000 Options post-Consolidation (subject to rounding));
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or

modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

- (c) the issue price for the Options will be nil, as they are being issued as part of the investment for Shares made by investors in July 2014;
- (d) the Options will be issued to the investors in the placement in July 2014, identified in the announcement dated 23 July 2014;
- (e) the Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) no funds will be raised from the issue of the Options.

12. ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS AND PROPOSED DIRECTORS – RESOLUTIONS 15 AND 16

12.1 Background

The Company has agreed, subject to obtaining Shareholder approval pursuant to these Resolutions to issue a total 5,025,000 Performance Rights to Messrs, Tambanis and Chiappini (**Participating Directors**) on the terms and conditions set out below.

Each Participating Director is a related party of the Company by virtue of the fact that they are a Director or a proposed director. Accordingly, the issue of the Performance Rights requires shareholder approval under ASX Listing Rule 10.11.

The primary purpose of the issue of Performance Rights is to provide a realistic, market-linked incentive component to the remuneration package of the Participating Directors, while also preserving the Company's cash reserves. The Performance Share hurdles are aligned to key market milestones are set out in Schedule 2. The independent members of the Board have determined that the number of Performance Rights remain reasonable taking into account the Directors' fees payable to the Participating Directors. Further, the independent members of the Board consider that the total value of the package to the Participating Directors, including the Performance Rights, is in line with the corporate remuneration of non-executive directors of similar companies.

12.2 Shareholder Approvals ASX Listing Rule 10.11

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 for the issue of the Performance Rights to Messrs, Tambanis and Chiappini because the issue of Performance Rights constitutes giving a financial benefit and as Directors and proposed Directors, the Participating Directors are each a related party of the Company.

If the Acquisitions are complete, Mr Tambanis will be appointed as a Director of the Company. Subsequently, the Performance Rights will be issued to him in accordance with Resolutions 15 respectively. At the time the Performance Rights are to be issued Mr Tambanis will be a related party of the Company.

The non-participating existing Directors have determined that given the quantum of Performance Rights being issued and the value of those Performance Rights that the issue represents would, should be classified as reasonable remuneration. Accordingly, approval under Section 208 is not being sought.

In accordance with the requirements of ASX Listing Rule 10.13 and to provide Shareholders with sufficient information regarding the issue, the following information is provided to allow Shareholders to assess the proposed issue of Performance Rights:

- (a) the related parties are Messrs, Tambanis and Chiappini and they are related parties by virtue of being a Director and proposed Director;
- (b) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be issued to the Participating Directors is:

	Tranche A	Tranche B	Tranche C	Total
Mr Tambanis	1,116,667	1,116,667	1,116,666	3,350,000
Mr Chiappini	558,334	558,333	558,333	1,675,000

- (c) the Performance Rights will be issued for nil cash consideration, accordingly no funds will be raised;
- (d) the trading history (pre-Consolidation) of the Shares on ASX in the 12 months before the date of this Notice of Meeting is as follows:

Highest	\$0.007
Lowest	\$0.001
Last	\$0.003

- (e) the Participating Directors currently have an interest in the following securities in the Company (on a pre-Consolidation basis):

Participating Director	Shares	Options
Mr Steven Tambanis	nil	nil
Mr Gabriel Chiappini	3,000,000	3,500,000

- (f) Mr Chiappini currently receives remuneration based on a monthly retainer of \$8,250 per month not inclusive of superannuation for providing services related to company secretarial, financial officer, non-executive director duties and management and corporate administration services. In addition to the monthly fees noted above, Mr Chiappini is paid for services provided in addition to the fixed fee, with the fees paid on a standard commercial and arm's length basis;
- (g) it is proposed that Mr Tambanis will receive \$200,000 remuneration plus statutory superannuation from the Company. The Company will also introduce a short term incentive plan for Mr Tambanis to align the Company's near term goals with that of Shareholders;
- (h) the terms and conditions of the Performance Rights are set out in Schedule 2
- (i) the Performance Rights will be issued to the Participating Directors no later than 1 month after the date of the Meeting (or such later date as

permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;

- (j) the primary purpose of the issue of the Performance Rights is to:
 - (i) retain these key personnel and link part of the remuneration paid to the Participating Directors to significant performance criteria, namely the achievement of the Milestones; and
 - (ii) provide a market-linked incentive component in the remuneration package for the Participating Directors and for the future performance by the Participating Directors in managing the operations and strategic direction of the Company.
- (k) the Board believes that the issue of Performance Rights provides cost effective consideration to the Participating Directors for their ongoing and future commitments and contributions to the Company in their respective roles as Directors of the Company. Given this purpose, the Board does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed;
- (l) the Board acknowledges the issue of Performance Rights to Mr Chiappini is contrary to Recommendation 8.3 of the ASX Good Corporate Governance and Best Practice Recommendations. However, the Board considers the issue of Performance Rights to Mr Chiappini is reasonable in the circumstances, given that it will assist the Company in achieving its goals by aligning the interests of Mr Chiappini with the interests of Shareholders, whilst maintaining the Company's cash reserves;

12.3 Directors' recommendation

- (a) The Directors (other than as set out below) recommend that Shareholders vote in favour of Resolutions 15 and 16 for the following reasons:
 - (i) the benefits set out in Section 12.2(j) above the proposed issue of Performance Rights to the Participating Directors will have on the Company;
 - (ii) the issue of the Performance Rights to the Participating Directors is an appropriate form of incentive to maximise returns to Shareholders; and
 - (iii) the terms of the proposed issue of Performance Rights to the Participating Directors are reasonable to the Company.
- (b) Mr Gabriel Chiappini, the only current Director to be receiving Performance Rights (if approved), declines to make a recommendation to Shareholders in relation to Resolution 16 due to his respective material personal interest in the outcome of Resolution 16.
- (c) The independent Directors are 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 Resolutions 15 and 16.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights to the Related Parties as approval is being obtained under

Listing Rule 10.11. Accordingly, the issue of the Performance Rights to the Participating Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

13. RESOLUTION 17 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

This Resolution seeks the approval of Shareholders for the Company to change its name to Black Rock Mining Limited. The Board proposes this change of name on the basis that it more accurately reflects the proposed operations of the Company upon the successful completion of the Acquisitions.

If this Resolution is passed the change of name will take effect from the date of the Meeting and when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if this Resolution is passed, the Company will lodge a copy of the special resolution with ASIC on successful completion of the Acquisition in order to effect the change.

GLOSSARY

\$ means Australian dollars.

Acquisitions means the acquisition of the Mahenge Graphite Project and the Mahenge North Graphite Project.

Acquisition Agreements means the agreements summarised in Section 1.5.

Asab means Asab Resources (Tanzania) Limited (Incorporated in Tanzania), who is the legal and beneficial holder of 100% of the Mahenge Project comprising Tanzanian Prospecting Licence number 7802/2012.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Capital Raising means the capital raising to raise up to \$2,500,000, with a minimum raising of \$2,000,000 the subject of Resolution 7.

Chair means the chair of the Meeting.

Company means Green Rock Energy Limited (ACN 094 551 336).

Conditions Precedent means as defined in Section 1.2

Constitution means the Company's constitution.

Consolidation means the consolidation of the Company Securities pursuant to Resolution 2

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

Directors means the current Directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Kabunga means Kabunga Holdings Pty Ltd (ACN 166 309 039).

Mahenge means Mahenge Resources Limited (Incorporated in Tanzania, incorporation number 110606).

Mahenge Project means as defined in clause 1.2.

Mahenge Vendors means the Mahenge Shareholders and Asab.

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

Option means an option to acquire a Share.

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

Performance Share means a Share to be issued pursuant to Resolutions 8, 15, and 16 on the terms set out in Schedule 2 of this Notice of Meeting.

Projects means the Mahenge Graphite Project and the Mahenge North Graphite Project.

Proposed Directors means Messrs Stephen Copulos and Steven Tambanis.

Prospectus means the prospectus to issue the Shares pursuant to Resolution 12.

Prospectus Shares means the Shares issued under the Prospectus

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

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

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

Shareholder means a registered holder of a Share.

Share Sale Agreement or **SSA** means the Share Sale Agreement entered into between the Company, Mahenge and the Mahenge Shareholders.

Third Party Tenement means Tanzanian Prospecting Licence number PL10111/2014.

Third Party Option Agreement means the option agreement entered into by the Company and Makonde Resorts Limited in relation to PL10111/2014.

Transaction means the transaction pursuant to which the Company will acquire the interest in graphite projects in Tanzania and undertake a re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

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

SCHEDULE 1 – PRO FORMA BALANCE SHEET

Green Rock Energy Limited Pro-Forma Balance Sheet

	Audited 30/06/2014	\$2.5m Raise unaudited ProForma	\$2.0m Raise unaudited ProForma
	\$	\$	\$
Assets			
Current assets			
Cash and bank balances	\$801,258	\$3,668,041	\$3,243,041
Trade and other receivables	\$24,896	\$24,896	\$24,896
Other financial assets	\$400,000	-	-
Total current assets	\$1,226,154	\$3,692,937	\$3,267,937
Non-current assets			
Exploration & Evaluation asset	\$334,454	\$1,450,626	\$1,450,626
Property, plant and equipment	\$3,526	\$3,526	\$3,526
Other financial assets	\$105,300	\$605,300	\$605,300
Investments accounted for using the equity method	-	-	-
Total non-current assets	\$443,280	\$2,059,452	\$2,059,452
Total assets	\$1,669,434	\$5,752,389	\$5,327,389
Liabilities			
Current liabilities			
Trade and other payables	\$81,171	\$81,171	\$81,171
Provisions	-	-	-
Total current liabilities	\$81,171	\$81,171	\$81,171
Total liabilities	\$81,171	\$81,171	\$81,171
Net assets	\$1,588,263	\$5,671,218	\$5,246,218
Equity			
Issued capital	\$31,311,043	\$35,141,703	\$34,641,703
Reserves	\$1,247,528	\$1,247,528	\$1,247,528
Accumulated losses	(\$30,970,308)	(\$30,718,013)	(\$30,643,013)
Total equity	\$1,588,263	\$5,671,218	\$5,246,218

SCHEDULE 2 – SUMMARY OF PERFORMANCE RIGHTS TERMS

The Performance Rights entitle the holder to Shares on the following terms and conditions:

- (a) Subject to the satisfaction of the vesting condition set out in paragraph (b), each Performance Right vests to one (1) Share.
- (b) The Performance Rights will vest upon satisfaction of the following milestones:
 - (i) **Tranche A:** The Company announces a JORC Code compliant resource of not less than 1,000,000 tonnes of contained graphite at 9% or more total graphite content from the Mahenge Projects;
 - (ii) **Tranche B:** The Company announces a JORC compliant resource of greater than 2,000,000 tonnes of contained graphite at 9% or more total graphite content from the Mahenge Projects; and
 - (iii) **Tranche C:** From the date of receipt of the Performance Rights, the Company's 10 day VWAP is equal to or greater than \$0.0875 for a period of 10 consecutive trading days;(together, the **Vesting Conditions**).
- (c) The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:
 - (i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
 - (ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (iii) any person becomes bound or entitled to acquire shares in the Company under:
 - (A) section 414 of the Corporations Act; or
 - (B) Chapter 6A of the Corporations Act;
 - (iv) the Company passes a resolution for voluntary winding up; or
 - (v) an order is made for the compulsory winding up of the Company, andsuch a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.
- (d) In the event the holder ceases to be a Director, consultant or employee prior to the satisfaction of the Vesting Condition, all Performance Rights shall automatically lapse unless the holder ceases to be a Director as a result of being removed from office by Shareholders other than for misconduct in which case the Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest.
- (e) The Performance Rights will expire on the following dates:

- (i) Tranche A Performance Rights not converted into a Share in the Company before 31 December 2017 will lapse;
- (ii) Tranche B Performance Rights not converted into a Share in the Company before 31 December 2017 will lapse; and
- (iii) Tranche C Performance Rights not converted into a Share in the Company before 31 December 2017 will lapse,

(separately, the **Relevant Expiry Dates**).

Any Performance Right not vested before the Relevant Expiry Date of each Tranche shall automatically lapse on the Relevant Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.

- (f) The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the satisfaction of the Vesting Condition.
- (g) Immediately following the Relevant Expiry Date the Company shall notify the holder of that proportion of Performance Rights that have vest and shall, unless otherwise directed by the holder, allot the associated number of Shares within 10 Business Days of the Relevant Expiry Date.
- (h) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the vesting of Performance Rights on ASX within 10 Business Days after the date of allotment of those Shares.
- (i) All Shares allotted upon the vesting of Performance Rights will upon allotment rank pari passu in all respects with other Shares.
- (j) The Performance Rights are not transferable except with the prior written consent of the Board.
- (k) A Performance Right does not confer any right to participate in new issues of securities, such as bonus issues or entitlement issues, or any right to vote at meetings, unless expressly authorised by law.
- (l) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (m) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (n) Subject to paragraphs (k) and (m), there are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights unless the Vesting Conditions have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.
- (o) A Performance Right does not confer the right to vote or receive dividends.

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS FOR CAPITAL RAISING

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is 18 months from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

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

(h) Shares issued on exercise

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

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Transferability

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

SCHEDULE 4 – TERMS AND CONDITION OF OPTIONS FOR PLACEMENT

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.01 on a pre-consolidation basis (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

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

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

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

(h) Shares issued on exercise

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

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

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

(k) Participation in new issues

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

(l) Change in exercise price

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

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

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



Green Rock Energy Limited
ABN 59 094 551 336

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 GRK
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online:

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00am (WST) Saturday, 13 December 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Green Rock Energy Limited hereby appoint

☐ the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Green Rock Energy Limited to be held at 50 Ord Street, West Perth, Western Australia on Monday, 15 December 2014 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 15 and 16 (except where I/we have indicated a different voting intention below) even though Resolutions 15 and 16 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 15 and 16 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

For Against Abstain

Item 1	Change to Nature and Scale of Activities	☐	☐	☐
Item 2	Consolidation of Capital	☐	☐	☐
Item 3	Ratification of Prior Issue - Shares to Kabunga Holdings Pty Ltd	☐	☐	☐
Item 4	Ratification of Prior Issue - Shares to Westoria Capital Pty Ltd	☐	☐	☐
Item 5	Ratification of Prior Issue - Share Placement	☐	☐	☐
Item 6	Ratification of Prior Issue - Mahenge Project	☐	☐	☐
Item 7	Issue of Shares Under Prospectus	☐	☐	☐
Item 8	Approval of Issue of Securities	☐	☐	☐
Item 9	Participation of Directors in the Capital Raising	☐	☐	☐

For Against Abstain

Item 10	Issue of Shares - Acquisition of Mahenge Resources Limited	☐	☐	☐
Item 11	Issue of Shares - Acquisition of Mahenge North Graphite Project	☐	☐	☐
Item 12	Issue of Shares to Westoria Capital Pty Ltd	☐	☐	☐
Item 13	Issue of Options to Cygnet Capital	☐	☐	☐
Item 14	Approval for Issue of Options for Placement	☐	☐	☐
Item 15	Issue of Performance Rights to Proposed Director - Steven Tambanis	☐	☐	☐
Item 16	Issue of Performance Rights to Proposed Director - Gabriel Chiappini	☐	☐	☐
Item 17	Change of Company Name	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

GRK

192497A

Computershare +

GREEN ROCK ENERGY LIMITED

Independent Expert's Report

November 2014

IN OUR OPINION THE PROPOSED

TRANSACTION IS FAIR AND REASONABLE

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Appendix 1 – Glossary

Appendix 2 – Valuation Methodologies

Appendix 3 – Comparable Transactions

7 November 2014

Green Rock Energy Ltd
The Quadrant Building
Level 9, 1 William Street
Perth WA 6000

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 31 October 2014, Green Rock Energy Ltd ("**Green Rock**" or "**the Company**") announced that it intended issuing a prospectus offering to raise up to \$2,500,000 at \$0.05 (5 cents) per share on a post consolidation basis ("**Offer**").

Under the terms of the Offer, the company will raise between \$2,000,000 and \$2,500,000 at \$0.05 per share on a post consolidation basis. Green Rock will then undertake a consolidation of securities on the basis of a consolidation ratio of 20 for 1 which represents a small discount to the Company's recent volume weighted average share price.

In addition, Green Rock is offering a free attaching option on a 1-for-4 basis for investors subscribing under the prospectus offer where the investor will receive 1 free option for every 4 shares subscribed at an exercise price of \$0.10 on a post consolidation basis and a term of 18 months.

The Copulos Group ("**Copulos**"), a major shareholder of Green Rock, supports the Offer with a firm commitment received for \$1 million which equates to 20,000,000 post consolidation new shares. This may result in the Copulos Group exceeding 19.9% of ownership on a post consolidation and fully dilutive basis.

Green Rock is seeking the approval of its shareholders for the issue of Shares to the Copulos Group at \$0.05 per share on \$1,000,000 on a post consolidation basis, which may result in the Copulos Group increasing its holding in Green Rock to a maximum of 25.9%.

The offer is in support of announcements first made on 7 July 2014 and made through to 27 October 2014 in relation to the agreements to acquire graphite projects in Tanzania ("**Agreement**"). Green Rock will also be seeking the approval of its shareholders for the acquisition of Green Rock's Graphite Projects.

All dollar amounts are in Australian dollars unless otherwise indicated.

2. Summary and Opinions

2.1. Purpose of the report

The directors of Green Rock have requested that RM Corporate Finance Pty Ltd ("**RM Corporate Finance**") prepare an independent expert's report ("**our Report**") to express an opinion as to whether or not the issue of Shares is fair and reasonable to the shareholders of Green Rock ("**Shareholders**").

Our Report is prepared pursuant to section 611 of the Corporations Act 2001 ("**the Act**") and is to be included in the Notice of Meeting for Green Rock in order to assist the Shareholders in their decision as to whether or not to approve the issue of shares to the Copulos Group, which would increase their shareholding over 20%.

Under the terms of the Offer, shareholders of Green Rock will be asked to vote on, amongst other things, the following resolutions at an Extraordinary General Meeting.

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

- Resolution – Consolidation of Capital
“That, subject to the passing of all of the Acquisition Resolutions and in accordance with Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated with immediate effect on the basis that:
 - a) Every twenty (20) Shares be consolidated into one (1) Share; and*
 - b) All Options on issue be adjusted in accordance with ASX Listing Rule 7.22,*
and where this consolidation results in a fraction of a security being held by a security holder, the Directors be authorized to round that fraction up to the nearest whole Share or Option”.
- Resolution – Resolution- The Copulos Group Shareholding to exceed 19.9%.
“That, subject to the passing of Resolutions 1 to 7 (inclusive), for the purpose of Section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for the Company to issue up to:
 - a) 20,000,000 Shares (New Shares)*
 - b) 5,000,000 Options (New Options)*
 - c) 5,000,000 Shares upon the exercise of the New Options referred to in paragraph (b) above,*
to Eyeon Investments Pty Ltd ATD Eyeon Investments Family Trust under the Capital Raising on the terms and conditions set out in the Explanatory Statement, which in addition to the 376,154,763 Shares (on a pre-Consolidation basis) already held will result in the Copulos Group (or their Associates) voting power to increasing from 17.08% to 25.85% in the capital of the Company.

2.2. Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (“ASIC”) Regulatory Guide 111 (“RG 111”), ‘Content of Expert’s Reports’ and Regulatory Guide 112 (“RG 112”) ‘Independence of Experts’.

In arriving at our opinion, we have assessed the terms of Offer as outlined in the body of this report. We have considered:

- How the value of a Green Rock share prior to the announcement and Offer compares to the value of the share post-Offer;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Announcement of issue of Shares; and
- The position of Shareholders should the issue of Shares not proceed.

2.3. Opinion

We have considered the terms of the issue of additional Shares as outlined in the body of this report.

We have concluded that the issue of Shares is fair and reasonable to Shareholders.

- In our opinion, the issue of Shares is fair because the value of a Green Rock share prior to the Agreement is less than the consideration per share to be received by Green Rock for the issue of Shares.
- In our opinion, the issue of Shares is reasonable because the advantages of approving the issue of Shares outweigh the disadvantages of approving the issue of Shares, as set out in Section 11.

2.3.1. Fairness

In Section 9 we determined that the value of a Green Rock share prior to the Announcement and Offer compared to the consideration per share offered, as set out below:

	Ref	Low (\$)	Midpoint (\$)	High (\$)
Value of a Green Rock share prior to announcement	9.2	\$0.025	\$0.027	\$0.029
Value of consideration per share on upcoming offer alternative funding arrangements	4	\$0.05	\$0.05	\$0.05

Note: The share prices in above table are based on post consolidation ratio of 20:1 and have been recalibrated for relative comparison to new capital structure.

The value of a Green Rock share, prior to the issue of Shares is less than the consideration per share upon accepting the Offer. Therefore, we consider that the issue of Shares is fair.

2.3.2. Reasonableness

We have considered the analysis in Section 11 of this report, in terms of both;

- Advantages and disadvantages of the issue of Shares; and
- Alternatives, including the position of Shareholders if the issue of Shares does not proceed.

In our opinion, the position of Shareholders if the issue of Shares is approved is more advantageous than the position if the issue of Shares is not approved. Accordingly, in the absence of any other relevant information we believe that the issue of Shares is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarized below:

Advantages and Disadvantages			
Section	Advantage	Section	Disadvantage
11.4	Immediate funds received	11.5	Dilution of existing Shareholder's interest.
11.4	Secure prospective Graphite projects in Tanzania as without a viable project of some description, Green Rock will fail to comply with the requirements of the ASX. Costs will continue to be incurred and the company's share price will continue to fall	11.5	Copulos Group's level of control of Green Rock increases
11.4	Acquisition. Strategic benefits of acquiring tenements with a sizeable Graphite resource. Unlike many other resources, graphite prices remained fair, constant over the last 12 months.		

Other key matters we have considered for the issue of Shares include:

Section	Description
11.1	Alternative Proposals
11.2	The practical level of control
11.3	Consequences of not approving the issue of Shares

3. Scope of the Report

3.1. Purpose of the Report

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders.

As at the date of our report the Copulos Group holds 17.08% of the issued shares in Green Rock. Assuming a 20 for 1 consolidation of the Green Rock shares is undertaken then;

- If the maximum subscription is taken up and 50 million shares are issued by Green Rock (\$2.5 million @ \$0.05) and the Copulos Group acquires 20 million shares (being \$1 million @ \$0.05), the issue of shares will increase the Copulos Groups existing holding to 24.24%.
- If the minimum of 40m shares are issued by Green Rock (\$2m at \$0.05) and the Copulos Group acquire 20m shares (being \$1m @ \$0.05), the issue of Shares will increase the Copulos Groups holding to 25.85%.

This potential change in shareholding is summarized in the table below, assuming that existing shareholders take up all their rights under the Rights Issue and none of the current options and performance rights are exercised.

Minimum	Copulos Group	Other Shareholders	Total
Issued Shares as at date of this Report	376,154,763	1,826,118,328	2,202,273,091
% holdings as at date of this Report	17.08%	82.92%	100.00%
Consolidation (20:1)	18,807,738	91,305,916	110,113,654
Shares to be issued (\$2M at \$0.05)	20,000,000	20,000,000	40,000,000
Issued Shares after Shares issued	38,807,738	111,305,916	150,113,654
% holdings after Shares issued	25.85%	74.15%	100.00%

Maximum	Copulos Group	Other Shareholders	Total
Issued Shares as at date of this Report	376,154,763	1,826,118,328	2,202,273,091
% holdings as at date of this Report	17.05%	82.92%	100.00%
Consolidation (20:1)	18,807,738	91,305,916	110,113,654
Shares to be issued (\$2M at \$0.05)	20,000,000	30,000,000	50,000,000
Issued Shares after Shares issued	38,807,738	121,305,916	160,113,654
% holdings after Shares issued	24.24%	75.76%	100.00%

Section 611 (7) exempts a company from compliance with sec 606 where the shareholders of that entity have agreed to the issue of such shares. This agreement must be passed by resolution at a general meeting at which no votes are cast in favor of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

Regulatory Guide 74 issued by ASIC deals with "Acquisitions Agreed to by Shareholders". It states that the obligation to supply shareholders with all information that is material can be satisfied by the non- associated directors of Green Rock, by either:

- undertaking a detailed examination of the issue of Shares themselves, if they consider that they have sufficient expertise; or
- by commissioning an Independent Expert's Report.

The directors of Green Rock have commissioned this Independent Expert's Report to satisfy this obligation.

Listed and Unlisted Options

As part of the Offer, Green Rock is offering a free attaching option on a 1 for 4 basis where the investor will receive 1 free option for every 4 shares subscribed at an exercise price of \$0.10 on a post consolidation basis and a term of 18 months. Assuming the Copulos Group receives the full \$1,000,000 allocation, they will be entitled to 5,000,000 options with an exercise price of \$0.10. At the date of the transaction, these rights are out of the money and the exercise of these options will only arise in the event the share price exceeds \$0.10. Given the uncertainty, the potential increase in shareholding by the Copulos Group of exercising these options has not been taken into consideration in this report. Notwithstanding that the change in shareholding would not be significant.

Similarly, Green Rock has a large number of listed and unlisted options on issue, which are subjected to varying price hurdles. At the date of this report, the Copulos Group does not hold any listed or unlisted options. Given the uncertainty on these options being exercised, the potential dilution of the Copulos Group shareholding upon exercise of these options has not been taken into consideration.

3.2. Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of “fair and reasonable”. In determining whether the issue of Shares is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. RG 111 suggests that where a transaction is a control transaction it should be analysed on a basis consistent with a takeover bid.

In our opinion the issue of Shares is a control transaction as defined by RG 111 and we have therefore assessed the issue of Shares to consider whether in our opinion it is fair and reasonable to Shareholders.

3.3. Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, RM Corporate Finance has completed this comparison in two parts:

- A comparison between value of a Green Rock share prior to the issue of Shares and the value of the consideration to be received by Green Rock for the issue of Shares (fairness – see Section 10 “Is the Issue of Shares Fair?”); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 11 “Is the Issue of Shares Reasonable?”).

4. Outline of the Transaction

On 31 October 2014, Green Rock Energy Ltd ("**Green Rock**" or "**the Company**") announced that it had appointed Cygnet Capital Pty Ltd ("**Cygnet**") to lead manage the prospectus offering to raise up to \$2,500,000 at \$0.05 (5 cents) per share on a post consolidation basis ("**Offer**").

Under the terms of the Offer, Cygnet will raise between \$2,000,000 and \$2,500,000 at \$0.05 per share on a post consolidation basis. Green Rock will undertake a consolidation of securities on the basis of a consolidation ratio of 20 for 1 which represents a small discount to the Company's recent volume weighted average share price.

In conjunction with the Shares, Green Rock is offering a free attaching option on a 1-for-4 basis for investors subscribing under the prospectus offer where the investor will receive 1 free option for every 4 shares subscribed at an exercise price of \$0.10 on a post consolidation basis and a term of 18 months.

The Copulos Group ("**Copulos**"), a major shareholder of Green Rock, supports the Offer with a firm commitment received for \$1 million, which may result in the Copulos Group exceeding 19.9% of ownership on a post consolidation and fully dilutive basis. On this basis, the Offer will be conditional on the Company obtaining shareholder approval in accordance with item 7 of section 611 of the Corporations Act 2001 ("**the Act**") in addition to obtaining approval for the acquisition of Green Rock's Graphite Projects.

A firm commitment of \$100,000 has also been received from the Managing Director elect Mr Steve Tambanis.

5. Profile of Green Rock Energy Limited

Green Rock ('GRK') is an Australian based company listed on the Australian Securities Exchange. In July and August 2014, the Company announced two acquisition agreements relating to the investment in Graphite Projects in Tanzania. Since then, the Company has been in transition to a Graphite focused resource vehicle.

The Company has historically held geothermal projects in Australia and Europe and petroleum projects in Western Australia, however is now in the process of relinquishing these non-core assets.

The two acquisition agreements announced by Green Rock relate to the following projects – Mahenge North Graphite Project and Mahenge Resources Limited – which underline the basis of this report.

5.1. Mahenge North Graphite Project - Tanzania

On 10 July 2014 the Company entered into an exclusive option agreement to acquire 100% of the Mahenge North Graphite project in exchange for a non-refundable cash payment of \$50,000 and the issue of 33,333,333 fully paid ordinary shares in Green Rock Energy Limited. Under the terms of the agreement, the company has been granted a four month exclusivity period within which to complete due diligence on the project. During the period, ending 10 November 2014, the company has committed to spend a minimum of \$100,000 on exploration activity and due diligence investigations.

In the event that the company elects to exercise the options referred to, the company must:

- Issue 166,666,667 fully paid Green Rock Energy Limited shares the vendors of the Mahenge North Project; and
- Commit to spend a minimum of \$500,000 on the project in the first twelve months from exercise of the option.

The company is also committed to make the following milestone payments as required:

- \$25,000 cash or equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >7% TGC is announced.
- \$250,000 cash or cash equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) to be paid when the company share price exceeds a VWAP of \$0.005 for a period of at least ten consecutive trading days. The final number of shares issued will be based on \$0.005 per share; and
- \$500,000 cash or cash equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 1,000,000 tonnes of contained graphite at >7% TGC.

Completion of the transaction is subject to the satisfaction of various conditions precedent, including, Green Rock obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow lawful completion of the acquisition of the MRL.

On 18 September 2014, the company announced to the ASX that it had exercised its option to acquire the Mahenge North project.

5.2. Mahenge Resources Limited (incorporated in Tanzania)

On 22 August 2014 the company entered into an exclusive option agreement to acquire 100% of the issued capital of Mahenge Resources Limited (“MRL”) for a non-refundable deposit of \$50,000 and the issue of 8,000,000 fully paid ordinary shares. MRL has a 100% interest in 3 new tenements within the Mahenge region, thereby increasing its total footprint in the Mahenge region to 675km².

Under the terms of the agreement, the company has been granted a four month exclusivity period within which to complete due diligence on the project. During the period, ending 22 December 2014, the company has committed to spend a minimum of \$20,000 on exploration activity and due diligence investigations.

In the event that the company elects to exercise the options referred to, the company must:

- Fund the acquisition of one of the tenements by way of payment of USD\$110,000 to the vendor;
- Issue 8,000,000 fully paid Green Rock Energy Limited shares the vendors of the MRL; and
- Commit to spend a minimum of \$500,000 on the project in the first twelve months from exercise of the option.

The company is also committed to make the following milestone payments as required:

- \$250,000 cash or equivalent number of fully paid Green Rock shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >9% TGC is announced. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and
- AUD\$375,000 cash and the equivalent value (AUD\$375,000) in GRK Shares to be paid when a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the VWAP of GRK Shares in the 5 days prior to the release of the announcement,
- In the event that Green Rock does not exercise the Option within ten (10) business days of the completion of the Option Period, or the Company does not meet the minimum expenditure commitment during the Option Period then the right to acquire the Mahenge Projects will lapse.

Completion of the transaction is subject to the satisfaction of various conditions precedent, including, Green Rock obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow lawful completion of the acquisition of the MRL.

On 18 September 2014, the company announced to the ASX that it had exercised its option to acquire MRL.

On 30 September 2014, the company announced to the ASX that it had entered into a Lead Manager agreement with boutique investment bank, Foster Stockbroking Pty Ltd, to raise up to \$5,000,000 (minimum \$4,000,000).

5.3. Remaining Graphite Options

By letter agreement dated 3 October 2014, the Company entered into an exclusive option agreement with Interstate Mining & Minerals (T) Limited (IMM) (GML Option) relating to five Tanzanian gem stone licenses. (GML Permits)

The material terms of the GML Option are as follows:

- a) In consideration for payment of the US\$50,000 (non-refundable) option fee to IMM, the company was given the exclusive option to undertake due diligence on the GML Permits for the purpose of determining whether to acquire, by way of assignment, the mineral rights (excluding a right to any gem stones) (Mineral Rights) over the GML Permits (GML Acquisition);
- b) The payment of the GML Option Fee is conditional upon receipt by the Company of documentation which establishes, in the Company’s sole discretion;
 - i) that IMM has sole ownership of the GML Permits
 - ii) the GML Permits are in good standing; and
 - iii) That the Mineral Rights can be transferred to the Company on satisfactory terms.
- c) The GML Option is for a period of 6 months from the date of payment of the option fee (unless extended) and the GML Option can be exercised at any time within this period;

- d) The GML Acquisition is conditional on completion of the Acquisitions, receipt of all necessary approvals, there being no material adverse change to the GML Permits and other conditions precedent standard for an agreement of this nature.
- e) The consideration for the GML Acquisition will be:
 - i) Payment of US\$20,000; and
 - ii) A 1% net smelter royalty on all future graphite produced from the GML Permits; and
 - iii) The GML Option Agreement is subject to other terms and conditions which are standard for an agreement of this nature.

Also, on 3 October 2014, the Company entered into an exclusive option agreement with Kabunga Holdings Limited (KHL) (KHL Option) relating to five Prospecting License Applications (KHL Permits).

The material terms of the KHL Options are as follows:

- a) In consideration for payment of the US\$45,000 (non-refundable) option fee to KHL, the Company was given the exclusive option to undertake due diligence on the KHL Permits;
- b) The payment of the KHL Option Fee is conditional upon receipt by the Company of documentation which establishes, in the Company's sole discretion:
 - i) The KHL has sole ownership of the KHL Permits; and
 - ii) The KHL Permits are in good standing.
- c) The KHL Option is for a period of 8 months from the date of payment of the option fee (unless extended) and the KHL Option can be exercised at any time within this period;
- d) The KHL Acquisition is conditional on completion of the Acquisitions, receipt of all necessary approvals, there being no material adverse change to the KHL Permits and other conditions precedent standard for an agreement of this nature.
- e) The consideration for the KHL Acquisition will be:
 - i) Payment of US\$60,000; and
 - ii) Issue of US\$60,000 in Green Rock Ordinary Shares
- f) The KHL Option Agreement is subject to other terms and conditions which are standard for an agreement of this nature.

Milestone Payments to KHL

Milestone Payments to be made to KHL on achievement of JORC Compliant resource on either of the permits associated with the GML or KHL agreements:

- i) AUD\$150,000 cash or, at the sole election of the vendor, subject to compliance with the ASX Listing Rules, the equivalent value in GRK Shares to be paid when GRK announces a JORV compliant Resource with greater than 250,000 tonnes of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price (VWAP) of GRK Shares in the 5 trading days prior to the release of the announcement.
- ii) AUD\$125,000 cash and the equivalent value of AUD\$125,000 in GRK Shares to be paid when GRK announces a JORC compliant Resource with greater than 1,000,000 tones of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price (VWAP) of GRK Shares in the 5 trading days prior to the release of the announcement.

5.4. Historical Balance Sheet

Green Rock Balance Sheet	Audited as at 30 June 2014	Audited as at 30 June 2013
	\$	\$
Current Assets		
Cash and bank balances	801,258	1,178,576
Trade and other receivables	24,896	1,133,604
Other financial assets	400,000	-
Total current assets	1,226,154	2,312,180
Non-Current Assets		
Exploration & Evaluation asset	334,454	660,165
Property, plant and equipment	3,526	116,964
Other financial assets	105,300	125,344
Investments accounted for using the equity method	-	944,633
Total non-current assets	443,280	1,847,106
Total assets	1,669,434	4,159,286
Current Liabilities		
Trade and other payables	81,171	174,393
Provisions	-	56,655
Total current liabilities	81,171	231,048
Total liabilities	81,171	231,048
Net assets	1,588,263	4,159,286
Equity		
Issued capital	31,311,043	31,266,631
Reserves	1,247,528	1,243,353
Accumulated losses	(30,970,308)	(28,541,746)
Total equity	1,588,263	3,928,238

Source: Audited financial report for the year ended 30 June 2014 and 30 June 2013.

5.5. Historical Income Statements

Green Rock Income Statement	Audited as at 30 June 2014	Audited as at 30 June 2013
	\$	\$
Investment income	29,681	33,539
Expenses		
Other gains and losses	56,144	(4,206,218)
Administration expenses	(52,981)	(33,997)
Employee benefit expense	(128,459)	(313,818)
Consulting expense	(296,144)	(343,487)
Depreciation and amortization expense	(13,136)	(26,548)
Exchange differences on translating foreign operations	(2,370)	6,403
Exploration expenditure	(61,902)	(462,432)
Other expenses from ordinary activities	(43,702)	(130,267)
Impairment of Exploration & Evaluation assets	(873,482)	(456,879)
Impairment of property, plant and equipment	(97,580)	-
Impairment of investment accounted for using the equity method	(927,577)	-
Share of net profits/(losses) of associates	(17,054)	(126,544)
Loss before tax	(2,428,562)	(6,060,248)
Income tax benefit	-	90,187
Loss for the year	(2,428,562)	(5,970,061)
Foreign currency translation differences for foreign operations	2,197	6,693
Total comprehensive income for the year attributable to owners of the company	(2,426,365)	(5,963,368)
Loss for the year attributable to owners of the company	(2,428,562)	(5,970,061)

Source: Audited financial reports for the years ended 30 June 2014 and 30 June 2013.

Commentary on Historical Financial Statements

Green Rock's financial statements for the years ending 30 June 2014, and for 30 June 2013, were audited by Deloitte Touche Tohmatsu. RM Corporate Finance has not undertaken any audit or review on the historical financial statements of Green Rock. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

In 2013, Green Rock issued 72,727,528 shares and raised approximately \$84,412 after associated costs. Exploration assets decreased by \$325,711 as a result of additions of \$547,771 and impairment cost of \$873,482 in the year to 30 June 2014.

To date the only source of revenue has been interest. The major items of expenditure are administration expenses, wages and salaries and the write off of exploration expenditure. The financial statements for the year to 30 June 2014 show a loss attributable to members of \$2,428,562, compared to a loss of \$5,970,061 incurred in the year to 30 June 2013.

5.6. Capital Structure

The share structure of Green Rock as at 15 August 2014 is outlined below:

	Number
Total ordinary shares on issue	2,202,273,091
Top 20 shareholders	928,156,016
Top 20 shareholders - % of shares on issue	42.15%

Source: Management of Green Rock

The range of shares held in Green Rock as at 15 August 2013 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Capital (%)
1 – 1,000	69	13,241	0.00
1,001 – 5,000	120	481,897	0.02
5,001 – 10,000	313	2,636,591	0.12
10,001 – 100,000	1,128	50,481,890	2.29
100,001 – 9,999,999,999	1,285	2,148,659,472	97.57
Rounding			0.00
TOTAL	2,915	2,202,273,091	100.00

Source: Management of Green Rock

The ordinary shares held by the most significant shareholders as at 30 October 2014 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Eyeon Investments Pty Ltd	137,566,490	6.2
Supermax Pty Ltd	121,333,333	5.5
HSBC Custody nominees (Australia) Ltd	117,254,940	5.3
Blamnco Trading Pty Ltd	95,000,000	4.3
Subtotal	471,154,763	21.4
Others	1,731,118,328	78.6
Total ordinary shares on issue	2,202,273,091	100.00

Source: Management of Green Rock

Green Rock also has the following Options on issue as at 30 October 2014:

Details	Number
Listed options with an exercise price of 1.2 cents expiring 31 January 2015	819,823,128
Total Listed Options	819,823,128
Unlisted options with an exercise price of 8.0 cents expiring 18 November 2014	5,550,000
Unlisted options with an exercise price of 4.0 cents expiring 16 November 2014	5,050,000
Unlisted options with an exercise price of 2.0 cents expiring 15 November 2014	1,900,000
Unlisted options with an exercise price of 1.0 cents expiring 18 March 2015	10,000,000
Unlisted options with an exercise price of 1.5 cents expiring 18 March 2015	20,000,000
Unlisted options with an exercise price of 0.8 cents expiring 11 June 2016	2,000,000
Unlisted options with an exercise price of 0.3 cents expiring 28 November 2016	7,500,000
Total Unlisted Options	52,000,000

6. Economic Analysis

Growth in the global economy is continuing at a moderate pace. China's growth remains generally in line with policymakers' objectives, with weakening property markets a challenge in the near term. Commodity prices in historical terms remain high, but some of those important to Australia have declined this year.

Financial conditions overall remain very accommodative. Long-term interest rates and risk spreads remain very low. Volatility in many financial prices is currently unusually low. Markets appear to be attaching a very low probability to any rise in global interest rates or other adverse event over the period ahead.

In Australia, the most recent survey data indicate gradually improving business conditions and some recovery in household sentiment after a weaker period around midyear, suggesting moderate growth in the economy is occurring. Resources sector investment spending is starting to decline significantly. Investment intentions in some other sectors continue to improve, though these areas of capital spending are expected to see only moderate growth in the near term. Public spending remains subdued. Overall, the Australian Reserve Bank expects growth to be a little below trend over the year ahead.

The recorded rate of unemployment has increased recently, despite some improvement in most other indicators for the labour market this year. The Reserve Bank's assessment remains that the labour market has a degree of spare capacity and that it will probably be some time yet before unemployment declines consistently. Growth in wages has declined noticeably and is expected to remain relatively modest over the period ahead, which should keep inflation consistent with expected target levels even with lower levels of the exchange rate.

Monetary policy remains accommodative. Interest rates are very low and have continued to edge lower over recent months as competition to lend has increased. Investors continue to look for higher returns in response to low rates on safe instruments. Credit growth has picked up a little, including most recently, to businesses. The increase in residential dwelling prices continues. The exchange rate, on the other hand, remains above most estimates of its fundamental value, particularly given the declines in key commodity prices. It is offering less assistance than would normally be expected in achieving balanced growth in the economy, although very recent changes could signal the commencement of an anticipated downward correction.

Looking ahead continued accommodative monetary policy should provide support to demand and help growth to strengthen over time. Inflation is expected to be consistent with the 2–3% target over the next two years.

Source: www.rba.gov.au *Statement by Glenn Stevens, Governor: Monetary Policy Decision 3 September 2014*

7. Industry analysis

Natural graphite is a metallic steel-grey coloured mineral, composed entirely of elemental carbon in a crystallised form. Graphite has the same chemical composition as diamond, which is also pure carbon, but the molecular structure is entirely different.

Graphite is a good conductor of heat and electricity and has the highest natural strength and stiffness of any known material. It is also the lightest of all reinforcing agents, and has a high natural lubricity. Graphite occurs in metamorphic rocks as a result of the reduction of sedimentary carbon compounds during metamorphism, some graphite occurs in igneous rocks, and can also form as a result of thermal metamorphism of coal.

There are three principal types of graphite:

- Flake graphite occurs as flat, plate-like particles in metamorphic rocks.
- Lump or vein graphite occurs in veins, as massive platy intergrowths and is hydrothermal in origin.
- Amorphous graphite occurs as fine particles and is formed by thermal metamorphism of coal.

The unique properties of graphite provide for numerous industrial applications. Current industrial uses include:

- Refractories - Graphite is used in the construction of steel refractories, such as magnesia-carbon bricks (25% graphite) for lining steel-making furnaces.
- Steelmaking – Graphite is used for carbon-raising in molten steel.
- Batteries and Lithium-ion batteries – graphite is required to construct the anode of all major batteries. A significant amount of graphite is required for Li-ion batteries, which are now being used in hybrid and electric vehicles.
- Fuel cells – Proton exchange membrane technology in fuel cells requires large quantities of graphite.
- Electrodes for electric arc furnaces.
- Carbon brushes in electric motors.
- Lubricant – Powdered graphite is used as a solid lubricant and is added to oils or to polymer coatings.
- Breaks and clutches – Graphite is used in brake drums, break pads and clutches in the automotive industry.
- Graphite foil is used for manufacturing high temperature gaskets and packages.
- Carbon Fibre Reinforced Polymer Composites for components in automotive, marine, aerospace and sports products.
- Pebble bed nuclear reactors – A PBNR is a small modular nuclear reactor with a number of advantages over large traditional reactors, they use uranium fuel embedded in graphite balls.
- Pencils – Low quality amorphous graphite is mixed with clay and used for pencil lead. Around 4% of world production is used for pencils.

The perceived largest growth area is associated with lithium ion batteries, which is currently the preferred battery source for electric vehicles. According to Industrial Minerals, graphite is the second-largest input material required in lithium ion batteries by volume. Another source suggests that these batteries require 20 times more graphite in a lithium ion battery than lithium. Currently, batteries account for roughly 5% of global graphite demand; however, there are some accounts that suggest that demand for lithium ion batteries, for use in various applications, is growing by 20% per year.

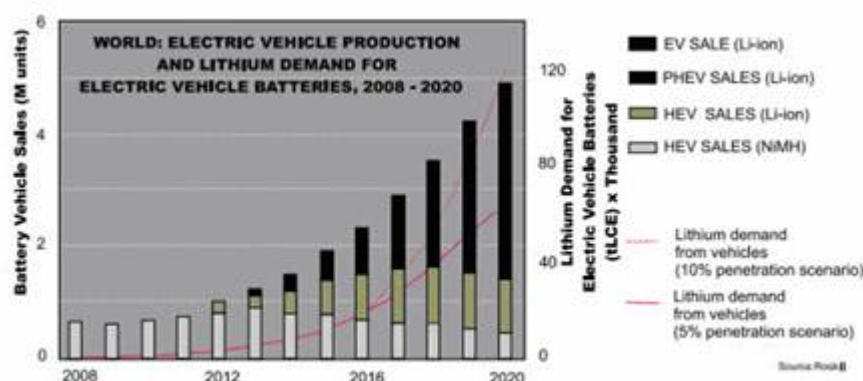
According to the Chinese Ministry of Science, the government aims to have one million electric-powered vehicles on the road by 2015, and electric car sales will exceed those in the US by 2020. Other growth areas that could require larger graphite sources are in fuel cells and in pebble-bed nuclear reactors.

Electric Vehicles Market Penetration		1%	5%	10%	15%	20%
Hybrid Electric Vehicles Market Penetration	5%	286	637	1,082	1,520	1,965
	10%	479	836	1,274*	1,719	2,163
	15%	678	1,029	1,473	1,918	2,356
	20%	877	1,228	1,672	2,111	2,555
	25%	1,070	1,310	1,865	2,310	2,748

Source: Canaccord Research

*10% increase in usage for EV & HEV will triple current flake-graphite demand by 2020.

Source: www.canaccord.com



“As battery manufacturers grow with the burgeoning automotive lithium battery industry, these manufacturers will need a stable supply of raw materials. Increasingly, they are looking for graphite outside of China. Today, there is annual demand for roughly 1.1 million tonnes of natural graphite ... but 960,000 tonnes of that capacity comes from China. This leaves customers largely dependent on China as a source of supply.” – Byron Capital Markets, 2012

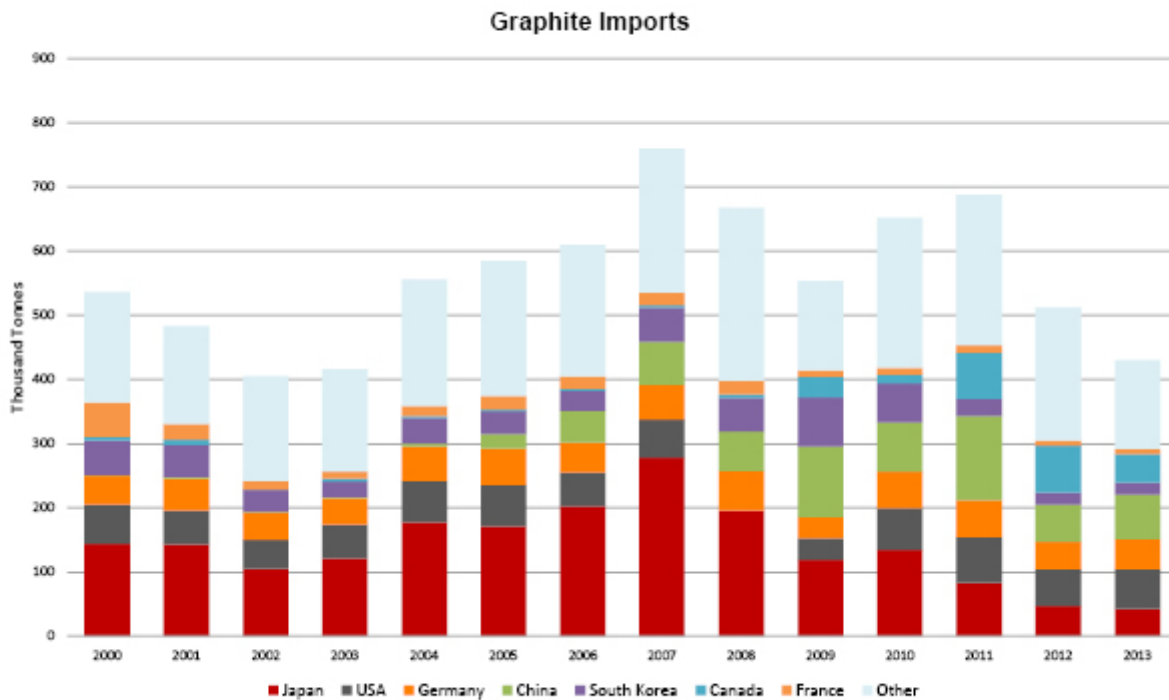
Source: HDRSalva.com.

Source: Alabamagraphite.com

Source: Globe Metals and Mining

7.1. Global Market

Global Graphite Demand



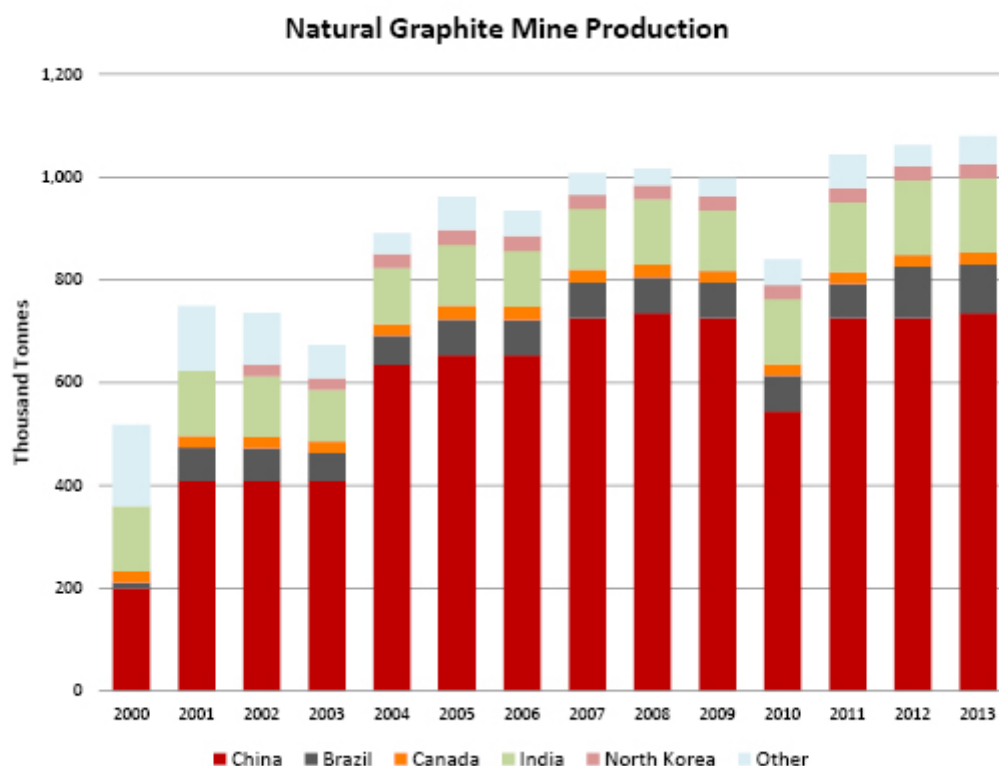
Source: HDR Salva

China is the largest consumer of graphite and accounts for more than ~35% of total global demand. However, its share in seaborne trade is only 10% of the global market due to its large domestic production.

Going forward, demand for graphite is expected to remain strong, driven by growth in Lithium ion batteries (LIB). LIBs are being increasingly used in the mobile phones, laptops and specifically electric vehicles (EV). Several car manufactures like Tesla, Nissan and Daimler are investing heavily in EV development.

Another potential future demand driver for graphite could be the development of pebble bed nuclear reactor, where graphite spheres (pebbles) are used as a moderator. These reactors are gas cooled and can operate at very high temperature. Because of its design and its high temperatures, higher thermal efficiencies are possible than in traditional nuclear power plants.

Forecasts of graphite demand vary widely, but a minimum additional supply of 400,000tpa by 2020 is considered a conservative estimate. This equates to the development of 20 new graphite mines in the next 3-6 years.



Source: USGS, HDR | Salva

World graphite reserves are estimated to exceed 800Mt. The supply of natural graphite is dominated by China, which produces upwards of 70% of global supply.

The US Geological Survey estimates natural graphite production globally in 2013 was ~1.1 Mt, primarily from China (750kt), India (145kt), Brazil (95kt), North Korea (27kt), and Canada (23kt).

Australia's only graphite mine, the Uley mine near Port Adelaide in South Australia, re-opened earlier this year after raising capital based on a widening gap between supply and demand.

Moving forward, an alternative source of secondary graphite could be flake graphite recovered from steelmaking kish (near-molten waste skimmed from the molten iron).

Although the process of recovering of flake graphite from steelmaking Kish is technically feasible. It is not currently practiced as the abundance of graphite in the world market inhibits recycling efforts and information on the quantity and value of recycled graphite is unavailable.

Global Graphite Outlook

World graphite demand – natural and synthetic – is expected to increase as the global economy improves.

Refractory end uses will remain the key demand driver for natural graphite and are likely to account for a steady 38% of demand through to 2016.

The development of hybrid and electric vehicles are likely to increase demand for high-purity graphite in fuel-cell and battery applications. This is a potential high-growth, large-volume end use but currently accounts for very little consumption and whether this demand eventuates is uncertain.

However on the supply side, the advanced project pipeline is insufficient to meet expected demand in the next five years as there are a small number of new graphite projects coming online.

Since 2011, the Chinese Government has ordered the majority of graphite mines under its control in Hunan Province be closed for environmental and resource protection. These mines were estimated to have been producing as much as 10% of the world's natural graphite. With a projected need for more than 20 new mines worldwide by 2020, the Chinese closures will have a significant impact on supply.

The closure of mines for environmental purposes, or because of marginal costs of production, is limiting supply and will also limit further price decreases. With no new mines being built during the recent cycle, existing production is ageing and current mine grades are dropping.

As a result of this, the price of graphite has recovered slightly in early 2014 and expectations are for a continued price rise into next year.

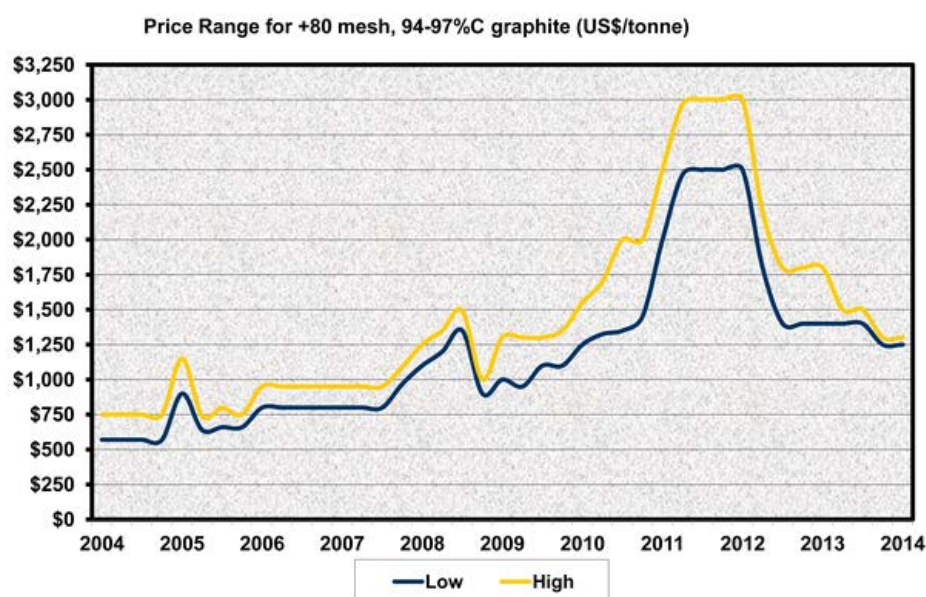
Source: HDRSalva.com Global Commodity Update, August 2014

Source: Alabamagraphite.com

Source: Globe Metals and Mining

7.2. Price Trends

Price range for +80 mesh, 94-97%C graphite (US\$/t)



Source: NorthernGraphite.com

The posted price for graphite provides a long term guideline for pricing trends; however transactions are largely based on direct negotiations. Prices of graphite vary according to flake size (larger flake sizes are more valuable) and purity. Pricing of graphite crashed in the 1990s as Chinese producers flooded the market. During this period, little exploration was carried out and as a result there are few projects in the development pipeline. The graphite market began to recover in 2005, and world demand increased during the second half of 2009, continuing to increase steadily throughout 2010 and 2011. The Chinese government has recently begun tightening controls over mines and consolidating the industry, this could result in a 10% loss of annual global graphite supply. Graphite may be in a sharp supply deficit in the next few years with prices rising significantly.

Pursuant to HDRSalva.com Global Commodity Update for August 2014, recent downward trends in demand and prices appear to be stabilising, and these should be offset, and potentially overtaken, by increases in high-tech industries in the mid to long term. This will occur as the graphite market shifts from being driven by steel and foundry to battery driven should an increased battery demand eventuate.

The current depressed market is expected to continue through 2015, rising through 2020 as high-tech demand increases. The supply side may play a key role, as the project pipeline is modest and not all exploration projects will make it to production.

Source: HDRSalva.com Global Commodity Update, August 2014

Source: Alabamagraphite.com

Source: Globe Metals and Mining

8. Valuation Approach Adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (“FME”)
- Discounted Cash Flow (“DCF”)
- Quoted Market Price Basis (“QMP”)
- Net Asset Value (“NAV”)
- Market Based Assessment
- Multiple of Exploration Expenditure (“MEE”)

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

We have considered all of the above valuation methodologies and have dismissed all methodologies, with the exception of Quoted Market Price Basis (“QMP”), as inappropriate for the following reasons:

- Capitalisation of future maintainable earnings (“FME”)

At the date of this report it is not possible for the company’s management to predict with any level of certainty the level of future maintainable earnings.

- Discounted Cash Flow (“DCF”)

As noted above it is not possible for management to predict future earning or expenditure, hence this basis is inappropriate.

- Net Asset Value (“NAV”)

At the date of this report, the Mahenge North Graphite Project in Tanzania is very much at the exploration stage, with the asset currently represented by an option. Hence, we are of the view that a valuation based solely on the net assets would not reflect the potential of the project.

- Market Based Assessment

Given the current state of the market there have been few similar transactions to use as a surrogate for the value of Green Rock although we tabulate these transactions in appendix III, we do not think they are appropriate to value Green Rock.

- Multiple of Exploration Expenditure (“MEE”)

As discussed, the Tanzanian asset currently is only an option so to perform a valuation based on the option alone would be inappropriate.

Based on the above, in our assessment of the value of a Green Rock share prior to the issue of Shares, we have chosen to employ the following methodology. The QMP basis is a relevant methodology to consider because Green Rock shares are listed on the ASX. This means there is a regulated and observable market where Green Rock shares can be traded. However, in order for QMP to be considered appropriate, the company’s shares should be liquid and the market should be fully informed as to Green Rock’s activities. We have considered these factors in section 9.2.

9. Valuation of Green Rock prior to the issue of Shares

Set out below is a graph demonstrating Green Rock's share price and trading volumes for the 12 months to 30 October 2014.



Source: au.finance.yahoo.com Green Rock Energy Ltd (GRK.AX) Basic Chart 30 October 2014

9.1. Quoted Market Prices for Green Rock's Securities

To provide a comparison to the valuation of Green Rock in Section 9.1, we have also assessed the quoted market price for a Green Rock share. The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- Control over decision making and strategic direction;
- Access to underlying cash flows;
- Control over dividend policies; and
- Access to potential tax losses.

Whilst the Copulos Group will not be obtaining 100% of Green Rock, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 11. Therefore, our calculation of the quoted market price of a Green Rock share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

9.1.1 Minority Interest Value

Our analysis of the quoted market price of a Green Rock share is based on the pricing prior to the announcement of the agreement to acquire graphite projects in Tanzania and the subsequent announcement of the issue of Shares. This is because the value of a Green Rock share after the announcement may include the effect of any change in value as a result of the agreement and issue of Shares. However, we have considered the value of a Green Rock share following the announcement when we have considered reasonableness in Section 11

The daily price of Green Rock shares from 1 November 2012 to 3 July 2014 has ranged from a low of \$0.001 to a high of \$0.002. Post Agreement, the daily price of Green Rock Shares has ranged from a low of \$0.003 to a high of \$0.005.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)	Closing share Price 3 Days After Announcement \$ (movement)
31-10-14	Annual Report to Shareholders	0.003	0.003
31-10-14	Green Rock Quarterly Activities Reports	0.003	0.003
31-10-14	Prospectus for \$2.5m with Priority Offering to Shareholders	0.003	0.003
29-10-14	Trading Halt	0.003	0.003
27-10-14	Graphite Discovery and Exploration Update	0.003	0.003
22-10-14	ENB: Eneabba to acquire prospective Perth Basin gas project	0.003	0.003
06-10-14	Green Rock Expands Tanzanian Graphite Tenement Portfolio	0.004	0.003
30-09-14	Foster Stockbroking appointed Lead Manager \$5m raising	0.004	0.003
24-09-14	New Experienced Board Elect to join Green Rock	0.005	0.005
18-09-14	Exercises Option to Purchase Tanzanian Graphite Projects	0.004	0.004
10-09-14	Additional & Encouraging Graphite Mineralisation	0.005	0.004
22-08-14	GRK Increases its Tenement Holding Mahenge Tanzania	0.004	0.005
07-08-14	GRK Exploration Underway at Mahenge North Graphite Prospect	0.005	0.004
29-07-14	Cleansing Statement and Appendix 3B	0.004	0.004
23-07-14	Working Capital Placement	0.005	0.005
07-07-14	Agreement to Acquire Graphite Project Tanzania	0.001	0.003
03-07-14	Trading Halt	0.001	0.001
30-06-14	Hungary Geothermal Concession Terms Agreed	0.001	0.001
13-06-14	Strategic Investment in SNY	0.001	0.001
16-04-14	Mid West Geothermal Power – AWE withdrawal	0.001	0.001
12-03-14	Geothermal Concession Awarded in Hungary	0.001	0.001

Source: ASX

To provide further analysis of the market prices for a Green Rock share, we have also considered the volume weighted average market price for 10, 30, 60 and 90 day periods to 3 July 2014.

	3 July 2014	10 days	30 days	60 days	90 days
Closing Price	\$0.001				
Volume Weighted Average		\$0.001	\$0.001	\$0.001	\$0.001

The above volume weighted average prices are prior to the date of the Agreement of the issue of Shares, to avoid the influence of any increase in price of Green Rock shares that has occurred since the Announcement.

An analysis of the volume of trading in Green Rock shares for the six months to 3 July 2014 is set out below:

	Share Price Low (\$)	Share Price High (\$)	Cumulative Volume Traded	As a % of Issued Capital
1 day	0.001	0.001	650,000	0.03%
10 days	0.001	0.001	29,450,900	1.52%
30 days	0.001	0.001	113,866,974	5.87%
60 days	0.001	0.001	135,502,268	6.98%
90 days	0.001	0.001	180,337,001	9.45%
180 days	0.001	0.001	297,760,854	15.61%

This table indicates that Green Rock's shares display a satisfactory level of liquidity, with 15.61% of the Company's current issued capital being traded in a six month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

Clearly the volume traded would suggest that the market for Green Rock is "reasonably deep", with a significant number of trades over a 30, 60, 90, and 180 day period.

Green Rock's Quoted Market Price results in the following valuation range:

	Low (\$)	Midpoint (\$)	High (\$)
Quoted Market Price Value	\$0.001	\$0.001	\$0.001
On a post consolidation comparative 20:1			
Quoted Market Price Value	\$0.02	\$0.02	\$0.02

Our assessment is that a value for a Green Rock share based on market pricing is around \$0.001. Alternatively, on a post consolidation basis, our assessment is that a Green Rock Share based on market pricing is around \$0.02.

9.1.1. Control Premium

The concept of a premium for control reflects the additional value that attaches to a controlling interest. In determining whether including a control premium is appropriate in this instance, we believe there are two key considerations. Firstly, we believe it is appropriate to consider the level of control currently held by the Copulos Group and what additional level of control/ability to influence the Copulos Group would gain if the issue of Shares is accepted and whether a premium for control is appropriate given the current position of the company.

We have included an analysis of the control premia paid for effective control acquisition transaction in the general mining industry of Australia since 2004 to date.

Period	Number of Transactions	Announced Total Values (US\$ Mil)	Announced Control Premium
2010-2011	9	7,001.26	40.7%
2009-2010	24	2,241.91	45.9%
2008-2009	10	172.47	43.2%
2007-2008	23	2,158.94	30.2%
2006-2007	21	1,092.89	25.3%
2005-2006	17	14,297.78	38.3%
2004-2005	7	25,836.97	29.0%
		Average	35.9%

Source: Bloomberg

In arriving at an appropriate control premium to apply we noted that observed control premia can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Level of controlling interest acquired;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

Based on the table above, we observe that significant control premia on a company's share price are paid for acquisition in the Australian mining industry. These significant premia in part reflect the strategic value of the target to the acquirer above the conventional level of control premium paid.

Across the general Australian mining industry, the average annual control premium paid for effective control transactions over 2005 to 2011 ranged between 25.3% and 45.9% with an average of 35.9%. If the issue of Shares to the Copulos Group is approved, the Copulos Group will obtain a maximum interest in Green Rock of 28%, which represents significant influence, but not necessarily an effective control over the Company.

Taking the factors above into consideration in applying a control premium to Green Rock's quoted market share price we believe an appropriate range to be 25% - 45% which is consistent with our analysis of the implied premia within the market. The announced market premia are calculated on a company's share price and can be potentially higher if a security has a low level of liquidity which could lead to its share price not being reflective of the underlying value. We believe this range, determined from implied premia, is the most appropriate to use.

9.2. Quoted market price including control premium

Applying a control premium to Green Rock's quoted market share price results in the following quoted market price value including a premium for control:

	Low (\$)	Midpoint (\$)	High (\$)
Quoted Market Price Value	\$0.001	\$0.001	\$0.001
Control Premium	25%	35%	45%
Quoted Market Price Valuation including a premium for control	\$0.00125	\$0.00135	\$0.00145
On a Post Consolidation Comparative 20:1			
Quoted Market Price Valuation including a premium for control	\$0.025	\$0.027	\$0.029

Therefore, our valuation of a Green Rock share based on the quoted market price method and including a premium for control on a post consolidation basis is between \$0.025 and \$0.029, with a midpoint value of \$0.027.

10. Is the issue of Shares fair?

The value of a Green Rock share prior to the Agreement compared to the consideration per share is shown in the table below (based on a post consolidation basis):

	Ref	Low (\$)	Midpoint (\$)	High (\$)
Value of Green Rock Share prior to Agreement		\$0.025	\$0.027	\$0.029
Value of consideration per share offered	4	\$0.05	\$0.05	\$0.05

We note from the table above that the value of a Green Rock share prior to the issue of Shares is less than the consideration of \$0.05 per share offered. Therefore, we consider that the issue of Shares is fair.

11. Is the issue of Shares reasonable?

We have considered the following factors in forming an opinion as to whether the issue of Shares is reasonable and where it is reasonably practicable to do so with sufficient precision we have quantified these factors.

11.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Green Rock a premium over the value ascribed to that resulting from the issue of Shares.

11.2 Practical Level of Control

If the issue of Shares is approved then the Copulos Group will hold an interest of approximately 28% in Green Rock. When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favor to approve a matter and a special resolution requires 75% of shares on issue to be voted in favor to approve a matter. If the issue of Shares is approved then the Copulos Group will not be able to pass general or special resolutions but will be able to block special resolutions.

The Copulos Group's control of Green Rock following the issue of Shares will be significant when compared to all other shareholders. In our opinion, while the Copulos Group will be able to significantly influence the activities of Green Rock, it will not be able to exercise a similar level of control as if it held 100% of Green Rock.

11.3 Consequences of not approving the issue of Shares

Potential decline in share price

We have analysed movements in Green Rock's share price since the issue of Shares was announced, and there has been no significant changes in the company's share price since the announcement.

11.4 Advantages of approving the issue of Shares

We have considered the following advantages when assessing whether the issue of Shares is reasonable.

Advantage	Description
Immediate funds received	If the issue of Shares is approved Green Rock will receive cash of approximately AUD\$2.5 million.
No requirement for Green Rock to source Alternative funding arrangements.	To progress various Projects and complete the acquisition of the Project, Green Rock will be required to source additional funding. If the Shares are not issued to the Copulos Group, it is unlikely that the Copulos Group will assist with this funding. The board of Green Rock would therefore have to explore other funding opportunities including potential joint ventures, placements. Some of these alternatives would likely be at a discount to the current market price and could potentially dilute Shareholder's interests further.
No changes to current operating arrangements	The Copulos Group is supporting of Green Rock's management and its current operating plan. There has been no indication from the Copulos Group that it intends to change Green Rock's business as conducted by the current management.

11.5 Disadvantages of approving the issue of Shares

If the issue of Shares is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Dilution of existing Shareholders' interest	The issue of Shares may result in a dilution of existing Green Rock shareholders' interest to approximately 7%. The capacity of shareholders to influence the operations of Green Rock will be reduced.
The Copulos Group will gain a significant level of control of Green Rock	If the issue of Shares is approved, the Copulos Group will be increasing its shareholding interest from approximately 17% to a maximum of approximately 26%, meaning the Copulos Group may be able to influence any voting required on the activities of Green Rock.

12. Conclusion

We have considered the terms of the issue of Shares as outlined in the body of this report and have concluded that **the issue of Shares is fair and reasonable to the Shareholders of Green Rock.**

13. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Green Rock for the years ended 30 June 2014 and 30 June 2013;
- Indicative Term Sheet between Cygnet Capital and Green Rock Energy Ltd;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Green Rock.

14. Independence

RM Corporate Finance Pty Ltd is entitled to receive a fee of \$7,500 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, RM Corporate Finance Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

RM Corporate Finance Pty Ltd has been indemnified by Green Rock in respect of any claim arising from RM Corporate Finance Pty Ltd's reliance on information provided by Green Rock, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement RM Corporate Finance Pty Ltd has considered its independence with respect to Green Rock and the Copulos Group and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In RM Corporate Finance Pty Ltd's opinion it is independent of Green Rock and the Copulos Group and their respective associates.

Neither the signatory to this report nor RM Corporate Finance Pty Ltd, have had within the past two years any professional relationship with Green Rock, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Green Rock and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

15. Qualifications

RM Corporate Finance Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

RM Corporate Finance Pty Ltd holds an Australian Financial Services License issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The person specifically involved in preparing and reviewing this report was Guy Le Page of RM Corporate Finance Pty Ltd. Guy has significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and he was supported by other RM Corporate Finance staff.

16. Disclaimers and consents

This report has been prepared at the request of Green Rock for inclusion in the Notice of Meeting which will be sent to all Green Rock Shareholders. Green Rock engaged RM Corporate Finance Pty Ltd to prepare an independent expert's report to consider the proposal for Green Rock to raise additional funds as set out in Green Rock's announcement to the ASX on 31 October 2014.

RM Corporate Finance Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of RM Corporate Finance Pty Ltd. RM Corporate Finance Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

RM Corporate Finance Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Green Rock in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of RM Corporate Finance Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence. RM Corporate Finance Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of RM Corporate Finance Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

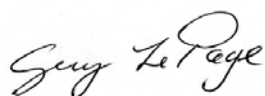
With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the transactions, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Green Rock, or any other party.

RM Corporate Finance Pty Ltd has also considered and relied upon independent property valuations for properties held by Green Rock. The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that RM Corporate Finance Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

RM CORPORATE FINANCE PTY LTD



GUY LE PAGE

Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Act	The Corporations Act 2001
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
The Company	Green Rock Energy Ltd
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
FME	Future Maintainable Earnings
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by Somes Cooke
Green Rock	Green Rock Energy Ltd
Shares	Between 40,000,000 and 50,000,000 Shares at an issue price of \$0.05 per share, being an aggregate subscription amount between \$2,000,000 and \$2,500,000
VWAP	Volume Weighted Average Price
Shareholders	Shareholders of Green Rock
Subscription Agreement	Agreement which outlines a strategic partnership between Green Rock and the Copulos Group and the terms that the Copulos Group will invest approximately US\$1 million for an approximate 28% stake in the capital of Green Rock.

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

Net asset value (“NAV”)

Asset based methods estimate the market value of an entity’s securities based on the realizable value of its identifiable net assets. Asset based methods include:

- Orderly realization of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realization of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realization costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realization of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimate the market values of the net assets of an entity but does not take into account any realization costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realizable value of its assets as they do not recognize the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

2. Quoted Market Price Basis (“QMP”)

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

Capitalization of future maintainable earnings (“FME”)

This method places a value on the business by estimating the likely FME, capitalized at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortization ("**EBITDA**"). The capitalization rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

4. Discounted future cash flows ("DCF")

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a startup phase, or experience irregular cash flows.

5. Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analyzed and the company that is being valued and then to reflect these differences in the valuation.

6. Multiple of Exploration Expenditure ("MEE")

The Past Expenditure method is a method of valuing exploration assets in the resources industry. It is applicable for areas which are at too early a stage of prospectivity to justify the use of alternative valuation methods such as DCF. The Past Expenditure method is often referred to as the Multiple of Exploration Expenditure method.

Past expenditure, or the amount spent on exploration of a tenement, is commonly used as a guide in determining value. The assumption is that well directed exploration adds value to a property. This is not always the case and exploration can also downgrade a property. The Prospectivity Enhancement Multiplier ("**PEM**") which is applied to the effective expenditure therefore commonly ranges from 0.5 to 3.0. The PEM generally falls within the following ranges:

- 0.5 to 1.0 where work to date or historic data justifies the next stage of exploration;
- to 2.0 where strong indications of potential for economic mineralization have been identified; and
- to 3.0 where ore grade intersections or exposures indicative of economic resources are present.

Appendix 3 – Comparative Transactions

Table 1. Recent transactions. Early stage exploration, flake graphite projects

	Date	Company	Project	Equity	Area (km ²)	Transaction	Trans Value (US\$)	US\$/km ² (min)	US\$/km ² (max)
1	Mar13	BKM Management now Oakdale Resources	Oakdale, Sth Aust	100%	2480	A\$5M shares + Milestones totalling A\$3M if resources outlined Value on confirmed price paid not on optioned milestones.	US\$4.7M – US\$7.4M if milestones reached	1895	3000
2	Mar14	Discovery Africa	Hotua, Tanzania	80%	416	US\$350k in cash and shares plus \$1.5M exploration expenditure in stages to get to 80%. Again this is highly optional and no hard numbers up front. This deal was revised in Oct14 as below: US\$550k in cash and shares	US\$850k – US\$1.8M	2554	5408
	Oct14			Revised 100%			US\$550k	1322	
3	Apr 14	Discovery Africa	EL1173*, Uganda	100%	93.5	US\$25k cash, \$475k shares plus optional US\$75k in 12 months	US\$500k - \$575k	5347	6150
4	Aug 14	Metals of Africa	EL4118** , Mozambi que	100%	96	US\$450k in cash and shares	US\$450k	4687	
5	Oct 14	Stratos	Manitou wadge, Canada	100%	34	C\$159k cash + min C\$15.2k expl/taxes	US\$156k	4588	

*Adjoins advanced project (Kitgum)

****Along strike from Syrah's major deposit and project – gives premium.**