
CANYON RESOURCES LIMITED

ACN 140 087 261

NOTICE OF ANNUAL GENERAL MEETING

TIME: 1:00pm (WST)

DATE: 27 November 2015

PLACE: HLB Mann Judd Boardroom
Level 4, 130 Stirling Street
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) 6143 4256.

CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	8
Glossary	27
Schedule 1 – Terms and conditions of Options (Resolution 5, 8 and 9)	28
Schedule 2 – Terms and conditions of Options (Resolution 7)	29
Schedule 3 – Terms and conditions of Options (Resolution 10)	30
Schedule 4 – Terms and conditions of Options (Resolution 11)	31
Schedule 5 – Terms and conditions of Director Incentive Options A (Resolutions 12-14)	32
Schedule 6 – Terms and conditions of Director Incentive Options B (Resolutions 12-14)	33
Proxy Form	

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 1:00pm (WST) on 27 November 2015 at:

HLB Mann Judd Boardroom

Level 4, 130 Stirling Street

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 25 November 2015.

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, members are advised that:

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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;
 - 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. ANNUAL FINANCIAL REPORT

To receive and consider the Annual Financial Report, including Directors' declarations, the Director's report, the Remuneration Report and the auditor's report, for the financial year ended 30 June 2015.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2015."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution 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 will 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 3 – RE-ELECTION OF A DIRECTOR

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

"That, for the purpose of rule 16.4 of the Constitution and for all other purposes, Mr Rhoderick Grivas, a Director of the Company, retires by rotation and, being eligible for re-election, is re-elected as a Director of the Company."

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER LISTING RULE 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 6,250,000 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 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER LISTING RULE 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 3,125,000 Options 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 6 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER LISTING RULE 7.1A

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 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 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.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF CONVERTIBLE NOTES UNDER LISTING RULE 7.1

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 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Convertible Notes 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.

9. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO BARCLAY WELLS

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 5,000,000 Options 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.

10. RESOLUTION 9 – APPROVAL TO ISSUE OUTSTANDING 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 purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Options 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 10 – APPROVAL TO ISSUE OPTIONS

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 5,000,000 Options 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 11 – APPROVAL TO ISSUE OPTIONS

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 10,000,000 Options 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 12 – APPROVAL TO GRANT INCENTIVE OPTIONS TO PHILLIP GALLAGHER

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to Phillip Gallagher (or his nominee) up to 5,000,000 Director Incentive Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Phillip Gallagher (and 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 of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

14. RESOLUTION 13 – APPROVAL TO GRANT INCENTIVE OPTIONS TO RHODERICK GRIVAS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to Rhoderick Grivas (or his nominee) up to 3,000,000 Director Incentive Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Rhoderick Grivas (and 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 of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

15. RESOLUTION 14 – APPROVAL TO GRANT INCENTIVE OPTIONS TO DAVID NETHERWAY

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

"That, subject to Mr David Netherway being appointed a Director of the Company, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant to David Netherway (or his nominee) up to 2,000,000 Director Incentive Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by David Netherway (and 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 of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

DATED: 22 OCTOBER 2015

BY ORDER OF THE BOARD



**PHILLIP MACLEOD
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on its website at www.canyonresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the Directors of the company.

The remuneration report sets out the company's remuneration arrangements for the Directors and senior management of the company. The remuneration report is part of the Directors' report contained in the annual financial report of the company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of Directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the company who were in office when the Directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the company is approved will be the Directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

¹ Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

² Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

³ Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

⁴ The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 2, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of Resolution 2 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$7.7 million based on the number of Shares on issue as at 21 October 2015 (144,079,928) plus the additional Shares expected to be issued on or before 30 October 2015 as announced on 16 October 2015 (10,000,000) and the closing price of Shares (\$0.05) on the ASX on 21 October 2015.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has three classes of quoted Equity Securities on issue, being the Shares (ASX Code: CAY) and two series of Options (ASX Code: CAYO and CAYOA). The Company also has unquoted Options and convertible securities on issue.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and

the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid); **(10% Placement Capacity Period)**.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A')	Dilution			
	Issue Price (per Share)	2.5 cents 50% decrease in Issue Price	5 cents Issue Price	7.5 cents 50% increase in Issue Price
154,079,928 (Current)	Shares issued	15,407,992 Shares	15,407,992 Shares	15,407,992 Shares
	Funds raised	\$385,200	\$770,400	\$1,155,599
231,119,892 (50% increase)	Shares issued	23,111,989 Shares	23,111,989 Shares	23,111,989 Shares
	Funds raised	\$577,800	\$1,155,599	\$1,733,399
308,159,856 (100% increase)	Shares issued	30,815,985 Shares	30,815,985 Shares	30,815,985 Shares
	Funds raised	\$770,400	\$1,540,799	\$2,311,199

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 154,079,928 Shares on issue (being the number on issue as at 21 October 2015 (144,079,928) plus the additional 10,000,000 Shares expected to be issued on or before 30 October 2015 as announced on 16 October 2015).
2. The issue price set out above is the closing price of the Shares on the ASX on 21 October 2015.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new mineral resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current mineral assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, mineral assets and investments (including expenses associated with such acquisitions) or for the payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

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

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting**

On 21 November 2014, the Company received Shareholder approval for the Additional Placement Capacity at its 2014 annual general meeting. Subsequent to that meeting, 22,799,543 Shares have been issued under the Additional Placement Capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued or expected to be issued in the 12 months before this Meeting (that is, since 27 November 2014) is 90,771,289 (being 49,617,889 Shares; 31,153,400 Options; and 10,000,000 Convertible Notes). The total number of Equity Securities on issue at 27 November 2014 was 104,462,039 Shares, 67,061,207 Options and 15 convertible securities (convertible to 15,000,000 Shares). The total number of Equity Securities issued or expected to be issued in the 12 months before this Meeting is approximately 48.7% of the total number of Equity Securities on issue at 27 November 2014 on a fully diluted basis.
- The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:

Date of issue:	27 November 2014 and 11 March 2015
Number of Equity Securities:	10,444,450 Shares 20,888,900 Options
Summary of terms:	Shares – fully paid ordinary Quoted Options exercisable at 6 cents each expiring 31 January 2017.
Basis on which recipients were determined:	Placement of Shares and attaching Options made to sophisticated investor clients of Amery Partners, Barclay Wells Ltd and Hartleys Limited.
Price:	4.5 cents per Share with two free attaching options for each Share issued. 15,666,681 Options were issued on 27 November 2014 and the balance of 5,222,219 on 11 March 2015 with shareholder approval.
Discount to market price (at time of issue):	The Shares were issued with no discount to the market price of 4.5 cents. This class of Options had not traded at the time of this issue.
Total cash consideration received:	\$470,000
Amount of cash consideration spent:	All funds raised spent on exploration Cameroon; costs of the issue; and working capital.
Intended use for remaining amount of cash:	Not applicable.

Date of issue:	24 December 2014
Number of Equity Securities:	8,000,000 Shares
Summary of terms:	Fully paid ordinary
Basis on which recipients were determined:	Shares issued to Asterion AV Ltd pursuant to the terms of the joint venture agreement with the Altus Strategies Group for the Birsok Bauxite project in Cameroon.
Price:	Not applicable.
Discount to market price (at time of issue):	The Shares were issued as part consideration under the joint venture for the Birsok Bauxite project. The market price on the day of issue was 5 cents.
Total cash consideration received:	Nil
Amount of cash consideration spent:	Not applicable.

Intended use for remaining amount of cash:	Not applicable.
Current value:	\$400,000 (based on the last trading price of Shares on ASX prior to the date of this Notice – being \$0.05 on 21 October 2015)

Date of issue:	10 April 2015
Number of Equity Securities:	644,444 Shares
Summary of terms:	Fully paid ordinary
Basis on which recipients were determined:	Placement to Directors with the approval of shareholders.
Price:	4.5 cents per Share.
Discount to market price (at time of issue):	The Shares were issued with no discount to the market price of 4.5 cents
Total cash consideration received:	\$29,000
Amount of cash consideration spent:	All funds raised spent on exploration in Cameroon and working capital.
Intended use for remaining amount of cash:	Not applicable.

Date of issue:	18 May 2015
Number of Equity Securities:	13,993,281 Shares 6,996,643 Options
Summary of terms:	Shares – fully paid ordinary Unquoted Options exercisable at 6 cents each expiring 29 September 2017.
Basis on which recipients were determined:	Placement of Shares made to sophisticated investor clients of Barclay Wells Ltd, Hartleys Limited, Euroz Limited and Amery Partners. Options were issued to the brokers to the issue or their nominee.
Price:	3.5 cents per Share.
Discount to market price (at time of issue):	The Shares were issued with a 0.5 cent discount to the market price of 4 cents. The Options were a new class of unquoted security issued for nil consideration.
Total cash consideration received:	\$489,764
Amount of cash consideration spent:	All funds raised spent on exploration on projects in Cameroon, costs of the issue and working capital.
Intended use for remaining amount of cash:	Not applicable.
Current value:	\$0.016 per Option for an aggregate of \$112,115 for all Options issued. This value has been measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the expected volatility of the underlying Share, the expected dividend yield and the risk free interest rate for the term of the Option.

Date of issue:	17 July 2015
Number of Equity Securities:	6,250,000 Shares 3,125,000 Options
Summary of terms:	Shares – fully paid ordinary Unquoted Options exercisable at 6 cents each expiring 29 September 2017.

Basis on which recipients were determined:	Placement of Shares and Options made to sophisticated investor clients of Barclay Wells Ltd, CPS Capital and Capital Investment Partners Pty Ltd.
Price:	4 cents per Share with one free attaching Option for every two Shares issued.
Discount to market price (at time of issue):	The Shares were issued with a 0.4 cent discount to the market price of 4.4 cents. The Options were unquoted and issued for nil consideration.
Total cash consideration received:	\$250,000
Amount of cash consideration spent:	All funds raised spent on exploration on projects in Cameroon, costs of the issue and working capital.
Intended use for remaining amount of cash:	Not applicable.

Date of issue:	4 August 2015
Number of Equity Securities:	285,714 Shares 142,857 Options
Summary of terms:	Shares – fully paid ordinary Unquoted Options exercisable at 6 cents each expiring 29 September 2017.
Basis on which recipients were determined:	Placement to a Director with the approval of shareholders on the same terms as the placement made 18 May 2015.
Price:	3.5 cents per Share.
Discount to market price (at time of issue):	The Shares were issued with a discount of 1.3 cents to the market price of 4.8 cents
Total cash consideration received:	\$10,000
Amount of cash consideration spent:	All funds raised spent on exploration in Cameroon and working capital.
Intended use for remaining amount of cash:	Not applicable.

Date of issue:	Expected to be on or before 30 October 2015
Number of Equity Securities:	10,000,000 Shares 10,000,000 Convertible Notes
Summary of terms:	Shares – fully paid ordinary Convertible Notes – Refer to Schedule 2.
Basis on which recipients were determined:	Placement made to sophisticated investor clients of Capital Investment Partners Pty Ltd and Barclay Wells Ltd.
Price:	5 cents per Share and 5 cents per Convertible Note.
Discount to market price:	As at the date of this Notice, the Shares have not been issued. The issue price is a discount of 0.2 cents to the market price immediately before the announcement of the proposed issue. The Convertible Notes are a new class of unquoted equity security.
Total cash consideration received:	\$1,000,000
Amount of cash consideration spent:	Nil
Intended use for remaining amount of cash:	Funds raised will be utilised to fund ongoing evaluation of the Birsok Bauxite Project, the continuing identification and evaluation of advanced project opportunities, costs of the issue and working capital.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR – MR RHODERICK GRIVAS

Rule 16.4 of the Constitution requires that one third (or, if their number is not a whole multiple of three, then the number nearest to but not exceeding one-third) of the Company's Directors must retire at each annual general meeting. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A Director who retires under rule 16.4 is eligible for re-election.

The Company currently has 3 Directors and accordingly 1 must retire.

Mr Grivas, the Director longest in office since his last election (on 18 November 2013 having initially been appointed on 11 December 2009), retires by rotation and offers himself for re-election.

Qualifications

Mr Grivas (BSc, AICD, AusIMM, AIG) is a geologist with over 25 years of experience in corporate and technical management of junior exploration companies. He has held a number of executive director positions with junior resource companies including ASX and TSX listed entities.

Other Material Directorships

Mr Grivas is also a Chairman of Southern Crown Resources Limited.

Independence

The Board considers Mr Grivas is not an independent director.

Board Recommendation

The Directors (apart from Mr Grivas) recommend that Shareholders vote in favour of the election of Mr Grivas.

5. RESOLUTIONS 4 AND 5 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS UNDER LISTING RULE 7.1

5.1 General

On 13 July 2015, the Company announced to ASX a placement of 6,250,000 Shares and 3,125,000 attaching Options (**Attaching Options**) to raise \$250,000 from sophisticated and professional investors to be utilised for ongoing exploration on the Company's Birsok Bauxite Project in Cameroon and the continuing identification and evaluation of advanced project opportunities in the region as well as working capital. Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 6,250,000 Shares issued and Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 3,125,000 Attaching Options issued.

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 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

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

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 6,250,000 Shares were issued;
- (b) the Shares were issued at a price of \$0.04 per Share;
- (c) the Shares were fully paid ordinary shares issued on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued to participants in the placement, who were all sophisticated and professional investor clients of Barclay Wells Limited, Capital Investment Partners Pty Ltd and CPS Capital Group Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) the funds raised from the Placement of Shares were used as set out in Section 5.1 above.

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

- (a) 3,125,000 Attaching Options were issued;
- (b) the Attaching Options were issued for nil consideration;
- (c) the Attaching Options were issued on the terms and conditions set out in Schedule 1. Any Shares issued on conversion of the Attaching Options will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Attaching Options were issued to participants in the placement, who were all sophisticated and professional investor clients of Barclay Wells Limited, Capital Investment Partners Pty Ltd and CPS Capital Group Pty Ltd. None of these subscribers are related parties of the Company; and
- (e) no funds raised specifically from the issue of the Attaching Options.

6. RESOLUTIONS 6 AND 7 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER LISTING RULE 7.1A AND CONVERTIBLE NOTES UNDER LISTING RULE 7.1

6.1 General

On 16 October 2015, the Company announced to ASX a placement of 10,000,000 Shares and 10,000,000 Convertible Notes (**Notes**) to raise \$1,000,000 to sophisticated and professional investors to be utilised for ongoing evaluation of the Company's Birsok Bauxite Project in Cameroon and the continuing identification and evaluation of advanced project opportunities in the region as well as working capital and costs of the issue. Options attaching to the Shares and Notes are to be issued subject to Shareholder approval. The Options are to be issued on the basis of 1 Options for every 2 of the Shares and Notes issued.

It is expected the issue of these Shares and Notes will occur on or before 30 October 2015.

The Shares will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A (which was approved by Shareholders at the Company's previous annual general meeting held on 21 November 2014) and the Notes will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

6.2 Resolution 6

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 10,000,000 Shares.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

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

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

until their issue has been ratified under ASX Listing Rule 7.4 or 12 months has passed since their issue.

By ratifying the issue the subject of Resolution 6 (and assuming the approval of Resolution 2), the base figure (ie variable 'A') in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number and the 10% annual placement capacity remaining available will not be reduced by the quantity of securities referred to in Resolution 6 which in turn will allow a higher number of securities to be issued without prior Shareholder approval.

6.3 Resolution 7

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 10,000,000 Notes.

A summary of ASX Listing Rules 7.1 and 7.4 is outlined in Section 5.1 above.

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.

6.4 Technical information required by ASX Listing Rule 7.4 – Resolution 6

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

- (a) 10,000,000 Shares were issued;
- (b) the issue price was \$0.05 per Share;
- (c) the Shares issued were fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Shares were issued to participants in the Placement, who were all sophisticated and professional investor clients of Capital Investment Partners Pty Ltd and Barclay Wells Limited. None of the subscribers are related parties of the Company; and
- (e) funds raised from the issue are being used for the purpose set out in Section 6.1 above.

6.5 Technical information required by ASX Listing Rule 7.4 – Resolution 7

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

- (a) 10,000,000 Notes were issued;
- (b) the issue price was \$0.05 per Note;
- (c) the Notes were issued on the terms and conditions set out in Schedule 2. Any Shares issued on conversion of the Notes will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares on issue;
- (d) the Notes were issued to participants in the Placement, who were all sophisticated and professional investor clients of Capital Investment Partners Pty Ltd and Barclay Wells Limited. None of the subscribers are related parties of the Company; and
- (e) funds raised from the issue are being used for the purpose set out in Section 6.1 above.

7. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO BARCLAY WELLS

7.1 General

Resolution 8 seeks Shareholder approval for the issue of up to 5,000,000 Options to Barclay Wells Ltd (or their nominee) as part consideration for the ongoing capital raising and general corporate advice provided to the Company pursuant to the terms of a Corporate Advisory Mandate agreement.

A summary of ASX Listing Rule 7.1 is outlined in Section 5.1 above.

The effect of Resolution 8 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Should Resolution 8 not be passed, the Company will still be obligated to issue these Options and will need to do so under its 15% placement capacity under ASX Listing Rule 7.1. The use of this 15% placement capacity for this purpose may hinder the Company's future ability to raise funds in a timely manner without Shareholder approval until the previous issue had been ratified or 12 months, whichever is the sooner.

7.2 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 8:

- (a) the maximum number of Options to be issued to is 5,000,000;
- (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 occur on the same date;
- (c) the Options will be issued for nil cash consideration, as they are being issued as part consideration for the purpose set out in Section 7.1 above;
- (d) the Options will be issued to Barclay Wells Ltd (or their nominee), who is not a related party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options as they are being issued in consideration for services provided to the Company.

8. RESOLUTION 9 – APPROVAL TO ISSUE OUTSTANDING OPTIONS FOR PLACEMENT

8.1 General

The summary of the Placement is set out in Section 6.1. The purpose of Resolution 9 is to seek approval for the issue of the attaching Options that were unable to be issued under the placement of the Shares and Notes.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 9 will be to allow the Company to issue the attaching Options relating to the placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the maximum number of Options to be issued is 10,000,000;
- (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 occur on the same day;
- (c) the Options are being issued for nil consideration on the basis of 1 Option for every 2 Shares or Notes issued under the placement;
- (d) the Options will be issued to participants in the placement, none of whom were related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be received through the issue of the Options, as the funds have previously been received under the placement and are being used for the purpose set out in Section 6.1 above.

9. RESOLUTIONS 10 AND 11 – APPROVAL TO ISSUE OPTIONS

9.1 General

As outlined in Section 6.1 above, the Company announced on 16 October 2015, a placement of 10,000,000 Shares and 10,000,000 Notes to raise \$1,000,000. Under the Lead Manager Mandate agreement with Capital Investment Partners Pty Ltd (**CIP**), the Company agreed, subject to shareholder approval, to issue to clients of CIP:

- 5,000,000 Options exercisable at \$0.06 each expiring 30 September at a subscription price of \$0.001 per Option; and
- 10,000,000 Options exercisable at \$0.10 each expiring 30 September 2018 at a subscription price of \$0.0005 per Option

The purpose of Resolutions 10 and 11 is to seek approval for the issue of the Options pursuant to ASX Listing Rule 7.1. A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

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

9.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Options to be issued is 5,000,000;

- (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 occur on the same day;
- (c) the Options are being issued at a price of \$0.001 per Option;
- (d) the Options will be issued to clients of CIP, none of whom will be related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (f) Funds of up to \$5,000 will be received and utilised for working capital.

9.3 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 11:

- (a) the maximum number of Options to be issued is 10,000,000;
- (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 occur on the same day;
- (c) the Options are being issued at a price of \$0.0005 per Option;
- (d) the Options will be issued to clients of CIP, none of whom will be related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) Funds of up to \$5,000 will be received and utilised for working capital.

10. RESOLUTIONS 12 TO 14 – APPROVAL TO ISSUE DIRECTOR INCENTIVE OPTIONS

10.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to a total of 10,000,000 Options (**Director Incentive Options**) to Messrs Phillip Gallagher, Rhoderick Grivas and David Netherway (or their respective nominees) (**Related Parties**) on the terms and conditions set out below.

10.2 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 grant of the Director Incentive Options constitutes giving a financial benefit and Messrs Gallagher, Grivas and Netherway are related parties of the Company by virtue of being Directors.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought pursuant to section 208 of the Corporations Act for the grant of Director Incentive Options to the Related Parties.

10.3 Shareholder Approval (Chapter 2E of the Corporations Act – Related Party Transactions)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the proposed grant of Director Incentive Options:

(a) **The related parties to whom the proposed Resolutions would permit the financial benefit to be given**

The related parties are Phillip Gallagher (Resolution 12), Rhoderick Grivas (Resolution 13) and David Netherway (Resolution 14) or their respective nominees and they are related parties by virtue of being Directors.

(b) **The nature of the financial benefit**

The maximum number of Director Incentive Options (being the nature of the financial benefit provided) to be granted to the Related Parties is:

- (i) 3,000,000 Director Incentive Options A and 2,000,000 Director Incentive Options B to Phillip Gallagher (or his nominee);
- (ii) 2,000,000 Director Incentive Options A and 1,000,000 Director Incentive Options B to Rhoderick Grivas (or his nominee); and
- (iii) 2,000,000 Director Incentive Options A to David Netherway (or his nominee).

The terms and conditions of the Director Incentive Options A are set out in Schedule 5 and Director Incentive Options B are set out in Schedule 6.

(c) **Directors Recommendation and Basis of Financial Benefit**

The Board currently consists of Phillip Gallagher, Rhoderick Grivas and David Netherway.

By Resolutions 12, 13 and 14 the Company is proposing to grant Director Incentive Options to each of the Directors (or their respective nominees). In each case, the number of Director Incentive Options to be granted was and the terms of the Director Incentive Options were negotiated by the Directors independent of the particular Related Party to be granted the Director Incentive Options.

The purpose of the grant of the Director Incentive Options to the Related Parties is to provide each Director with added incentive to achieve the goals set by the Board which are aimed at adding Shareholder value. The Director Incentive Options are issued as part of each Director's remuneration package.

The independent Directors in each case consider that the quantity of Director Incentive Options together with the terms of the Director Incentive Options constitute an appropriate number to adequately incentivise the Directors in light of that Director's skill and experience and their current remuneration as detailed below.

The Board acknowledges that the grant of the Director Incentive Options to David Netherway as a non-executive Director is contrary to guidelines for non-executive remuneration in Recommendation 8.2 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Director Incentive Options to be reasonable in the circumstances given the Company's size and stage of development and the importance of maintaining the Company's cash reserves.

Phillip Gallagher declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Incentive

Options in the Company should Resolution 12 be passed. However, in respect of Resolutions 13 and 14 Mr Gallagher recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of Director Incentive Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Director Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Incentive Options upon the terms proposed.

Rhoderick Grivas declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Incentive Options in the Company should Resolution 13 be passed. However, in respect of Resolutions 12 and 14 Mr Grivas recommends that Shareholders vote in favour of those Resolutions for the reasons set out in (i) to (iii) above.

David Netherway declines to make a recommendation to Shareholders in relation to Resolution 14 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Director Incentive Options in the Company should Resolution 14 be passed. However, in respect of Resolutions 12 and 13 Mr Netherway recommends that Shareholders vote in favour of those Resolutions for the reasons set out in (i) to (iii) above.

In forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Director Incentive Options to be granted as well as the exercise price and expiry date of those Director Incentive Options.

(d) **Dilution**

The passing of Resolutions 12, 13 and 14 would have the effect of granting up to 10,000,000 Director Incentive Options.

If any of the Director Incentive Options are exercised into Shares, the effect would be to dilute the shareholding of existing Shareholders. If all the Director Incentive Options are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 154,079,928 (based on the Shares on issue as at 21 October 2015 (144,079,928) plus the additional Shares expected to be issued on or before 30 October 2015 as announced on 16 October 2015 (10,000,000)) to 164,079,928 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of the existing Shareholders would be diluted by an aggregate of 6.1%, comprising 3.1% by Phillip Gallagher, 1.8% by Rhoderick Grivas and 1.2% by David Netherway.

The market price for Shares during the term of the Director Incentive Options would normally determine whether or not the Director Incentive Options are exercised. If, at any time any of the Director Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Incentive Options, there may be a perceived cost to the Company.

The actual dilution will depend on the extent of further equity raised by the Company and whether any of the Director Incentive Options are exercised.

(e) **Total Remuneration Package of Related Parties**

The following table shows the total annual remuneration paid by the Company to both executive and non-executive directors for the two most recent completed financial years and the proposed annual remuneration for the current financial year (inclusive of superannuation).

Director	FY16	FY15	FY14
Phillip Gallagher	\$202,575	\$223,235	\$245,353
Rhoderick Grivas	\$87,600	\$87,600	\$149,002
David Netherway ¹	\$40,000	\$40,000	\$31,185

Note

1. Mr Netherway was appointed as a Director on 17 March 2014.

(f) **Existing Relevant Interests**

At the date of this Notice, Messrs Gallagher, Grivas and Netherway and their associates have the following relevant interest in securities of the Company.

Name	Shares	Listed Options ¹	Unlisted Options
Phillip Gallagher	1,742,223	20,000	3,000,000 ²
Rhoderick Grivas	2,165,385	415,385	2,000,000 ²
David Netherway	1,619,047	1,111,111	1,500,000 ² 142,857 ³

Note

1. Options exercisable at \$0.06 expiring 31 January 2017.
2. Options exercisable at \$0.068 expiring 22 February 2017.
3. Options exercisable at \$0.06 expiring 29 September 2017.

(g) **Trading History**

The following table gives details of the highest, lowest and the latest price of the Company's Shares trading on the ASX in the 12 months before the date of this Notice.

	Date	Price
Highest Price	28 July 2015	5.6 cents
Lowest Price	29 April 2015	3.4 cents
Latest Price	21 October 2015	5 cents

(h) **Valuation of Director Incentive Options**

The Director Incentive Options will not be quoted on ASX.

The Company has valued the Director Incentive Options to be granted to the Related Parties or their nominees using the Black & Scholes option model.

The following assumptions have been made regarding the inputs required for the option pricing module:

Input		Note
Number of options to related parties:	10,000,000	
Underlying security spot price:	5 cents	1
Exercise price: Incentive Options A Incentive Options B	7 cents 10 cents	2
Dividend rate:	Nil	3
Volatility rate:	95.7%	4
Risk free interest rate:	1.9%	5
Expiry Date:	30 September 2018	6

Note 1 The underlying security spot price used for the purposes of this valuation is based on the closing price of Shares on the valuation date of 21 October 2015 which was 5 cents.

Note 2 The exercise price is 7 cents for the Director Incentive Options A and 10 cents for the Director Incentive Options B.

Note 3 As at the date of the valuation, the Company had not forecast any future dividend payments. For the purposes of the valuation it is therefore assumed that the Company's share price is "ex-dividend". If dividend payments were forecast, the value of the Director Incentive Options would be reduced.

Note 4 A volatility rate of 95.7% has been adopted. This rate has been calculated by reference to the closing price volatility for the Shares of the Company for the previous two years.

Note 5 The risk free rate is 1.9% based on the current Reserve Bank Treasury Bond rates.

Note 6 The Expiry Date is 30 September 2018.

As the Director Incentive Options are not listed, a 30% marketability discount has been applied to the values.

Based on the above assumptions the Options proposed to be issued to Directors have been valued as follows:

Number and Value of Director Incentive Options	
	Director Incentive Options
Phillip Gallagher	3,000,000 Director Incentive Options A – 1.85 cents each 2,000,000 Director Incentive Options B – 1.58 cents each (total value - \$87,246)
Rhoderick Grivas	2,000,000 Director Incentive Options A – 1.85 cents each 1,000,000 Director Incentive Options B – 1.58 cents each (total value - \$52,882)
David Netherway	2,000,000 Director Incentive Options A – 1.85 cents each (total value - \$37,037)

(i) **Other Information**

The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 12, 13 and 14.

10.4 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.

Phillip Gallagher, Rhoderick Grivas and David Netherway are Directors and as such are related parties of the Company.

It is the view of the Company that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is also sought pursuant to ASX Listing Rule 10.11 for the grant of Director Incentive Options to the Related Parties.

If approval to grant the Director Incentive Options to the Related Parties is obtained under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. Accordingly, the issue of the Incentive Director Incentive Options to the Related Parties will not be included in the Company's 15% annual placement capacity calculation.

ASX Listing Rule 10.13 provides that the notice of meeting to approve the issue of securities under ASX Listing Rule 10.11 must include certain information.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 12, 13 and 14:

- (a) The Director Incentive Options will be granted to Phillip Gallagher (Resolution 12), Rhoderick Grivas (Resolution 13) and David Netherway (Resolution 14) or their respective nominees;
- (b) The maximum number of securities the Company will grant is:
 - 3,000,000 Director Incentive Options A and 2,000,000 Director Incentive Options B to Phillip Gallagher (or his nominees);
 - 2,000,000 Director Incentive Options A and 1,000,000 Director Incentive Options B to Rhoderick Grivas (or his nominees); and
 - 1,500,000 Director Incentive Options A and 500,000 Director Incentive Options B to David Netherway (or his nominees);
- (c) The Director Incentive Options will be granted no later than 1 month after the date of this Meeting (or a 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;
- (d) Phillip Gallagher, Rhoderick Grivas and David Netherway as Directors are related parties;
- (e) The Director Incentive Options are granted for nil consideration;
- (f) The exercise price of the Director Incentive Options A is 7 cents. The exercise price of the Director Incentive Options B is 10 cents. The Director Incentive Options expire on 30 September 2018 and have no vesting criteria. The full terms and conditions of Director Incentive Options A are set out in Schedule 5 and Director Incentive Options B are set out in Schedule 6.; and
- (g) No funds will be raised from the grant of the Director Incentive Options.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 3.1 of the Explanatory Statement.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

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

Chair means the Chair of the Meeting.

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

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

Company means Canyon Resources Limited (ACN 140 087 261).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Director Incentive Option means an Option granted pursuant to Resolutions 12, 13 or 14 with the terms and conditions set out in Schedule 4 (Director Incentive Options A) or Schedule 5 (Director Incentive Options B) as the context requires.

Eligible Entity has the meaning set out in the ASX Listing Rules.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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.

Optionholder means a holder of an Option.

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

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 2015.

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

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

Shareholder means a holder of a Share.

Variable A means "A" as set out in the calculation in section 3.2 of the Explanatory Statement.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 5, 8 AND 9)

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 29 September 2017 (**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 later of the following:
(i) the Exercise Date; and
(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) 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; and
(iv) 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Option**
The Company will not apply for quotation of the Options on ASX.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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.
- (n) **Transferability**
The Options are only transferable with the consent of the Board of the Company.

SCHEDULE 2 – TERMS AND CONDITIONS OF CONVERTIBLE NOTES (RESOLUTION 7)

Principal	\$0.05
Interest Rate	Nil
Maturity Date	12 months from the date of issue (which is expected to occur on or before 30 October 2015). The actual date will be confirmed in the Appendix 3B lodged at the time of issue.
Conversion Price	\$0.05, or, subject to not being prohibited by the ASX Listing Rules, if, after 1 May 2016 the Share price as traded on ASX on the Conversion Date is below \$0.05, a 15% discount to the 30 day volume weighted average price of Shares as traded on ASX immediately prior to the Conversion Date.
Conversion	At any time prior to the delivery of a Redemption Notice and no later than the day prior to the Maturity Date the Noteholder is entitled, at its sole election, to convert any Convertible Notes held into Shares by delivering to the Company a Conversion Notice specifying the number of Convertible Notes being converted and the Note Certificate, or such other evidence of title as to ownership of the Convertible Notes being converted as is acceptable to the Company.
Redemption	At any time prior to the delivery of a Conversion Notice the Company is entitled, at its sole election, to deliver to the Noteholder a Redemption Notice specifying the quantity of Convertible Notes being redeemed. Or In the event a Convertible Note is not converted or redeemed prior to the Maturity Date it will be deemed to have been elected to be redeemed on the Maturity Date.
Participation rights	There are no participation rights or entitlements inherent in a Convertible Note and the Noteholder will not be entitled to participate in new issues of Securities offered to Shareholders during the currency of a Convertible Note in respect of the Convertible Notes without converting the Convertible Note prior to the date for determining entitlements to participate in any such issue.
Reconstruction	In the event of a reconstruction of the capital of the Company prior to the Conversion Date by way of consolidation, subdivision, reduction, return, scheme of arrangement or otherwise (but other than by way of a bonus issue, rights issue or other security issue), a proportionate adjustment will be made to the number and issue price of Shares to which the Noteholder is entitled upon conversion of a Convertible Note so that: - the value of the Convertible Note is not adversely affected by the reconstruction; and - the Noteholder is not conferred with any additional benefits which are not also conferred on the holders of Shares (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of holders of Shares approving the reconstruction of capital), and, in all other respects the terms for the conversion of the Convertible Note shall remain unchanged. These terms must be varied to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Security	Unsecured and the Noteholder will rank equally with all other unsecured creditors of the Company.
Quotation	The Company will not apply for quotation on ASX of the Convertible Notes.
Voting rights	The Convertible Notes shall not provide for any voting rights at shareholder meetings of the Company (unless otherwise required by the ASX Listing Rules or the Corporations Act).
Transferability	The Noteholder shall be permitted to transfer all or any of the Convertible Notes on the condition that the Noteholder procures that the assignee of the Convertible Notes agrees to be bound by the terms and conditions of this Deed and the assignee falls within one or more of the categories specified in sections 708(8), 708(10) or 708(11) of the Corporations Act.

SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS (RESOLUTION 10)

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).
- (c) **Expiry Date**
Each Option will expire at 5:00 pm (WST) on 30 September 2018 (**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 later of the following:
(i) the Exercise Date; and
(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) 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; and
(iv) 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Option**
The Company will not apply for quotation of the Options on ASX.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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.
- (n) **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 CONDITIONS OF OPTIONS (RESOLUTION 11)

- (a) **Entitlement**
Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **Exercise Price**
Subject to paragraph (k), 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 30 September 2018 (**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 later of the following:
(i) the Exercise Date; and
(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) 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; and
(iv) 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Option**
The Company will not apply for quotation of the Options on ASX.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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.
- (n) **Transferability**
The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**SCHEDULE 5 – TERMS AND CONDITIONS OF DIRECTOR INCENTIVE OPTIONS A
(RESOLUTIONS 12, 13 AND 14)**

- (a) **Entitlement**
Each Director Incentive Option entitles the holder to subscribe for one Share upon exercise of the Director Incentive Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Director Incentive Option A will be \$0.07 (**Exercise Price**).
- (c) **Expiry Date**
Each Director Incentive Option will expire at 5.00pm (WST) on 30 September 2018 (**Expiry Date**). A Director Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Director Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Director Incentive 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 Director Incentive 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 Director Incentive Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the later of the following:
(i) the Exercise Date; and
(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) issue the number of Shares required under these terms and conditions in respect of the number of Director Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
(iv) 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Director Incentive Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Options**
The Company will not apply for quotation of the Director Incentive Options on ASX.
- (j) **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 Director Incentive Options.
- (k) **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.
- (l) **Participation in new issues**
There are no participation rights or entitlements inherent in the Director Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Incentive Options without exercising the Options.
- (m) **Change in exercise price**
A Director Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Director Incentive Option can be exercised.
- (n) **Transferability**
The Director Incentive Options are only transferable with the consent of the Board of the Company.
-

**SCHEDULE 6 – TERMS AND CONDITIONS OF DIRECTOR INCENTIVE OPTIONS B
(RESOLUTIONS 12, 13 AND 14)**

- (a) **Entitlement**
Each Director Incentive Option entitles the holder to subscribe for one Share upon exercise of the Director Incentive Option.
- (b) **Exercise Price**
Subject to paragraph (k), the amount payable upon exercise of each Director Incentive Option B will be \$0.10 (**Exercise Price**).
- (c) **Expiry Date**
Each Director Incentive Option will expire at 5.00pm (WST) on 30 September 2018 (**Expiry Date**). A Director Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The Director Incentive Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The Director Incentive 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 Director Incentive 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 Director Incentive Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the later of the following:
(i) the Exercise Date; and
(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,
but in any case no later than 20 Business Days after the Exercise Date, the Company will:
(iii) issue the number of Shares required under these terms and conditions in respect of the number of Director Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
(iv) 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.
- (h) **Shares issued on exercise**
Shares issued on exercise of the Director Incentive Options rank equally with the then issued shares of the Company.
- (i) **No Quotation of the Options**
The Company will not apply for quotation of the Director Incentive Options on ASX.
- (j) **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 Director Incentive Options.
- (k) **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.
- (l) **Participation in new issues**
There are no participation rights or entitlements inherent in the Director Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Incentive Options without exercising the Options.
- (m) **Change in exercise price**
A Director Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Director Incentive Option can be exercised.
- (n) **Transferability**
The Director Incentive Options are only transferable with the consent of the Board of the Company.
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PROXY FORM
CANYON RESOURCES LIMITED
ACN 140 087 261
ANNUAL GENERAL MEETING

I/We, being a Shareholder of Canyon Resources Limited entitled to attend and vote at the Meeting, hereby appoint

Name of proxy

OR: ☐ the Chair as my/our proxy,

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 1:00pm (Perth time), on 27 November 2015 at HLB Mann Judd Boardroom, Level 4, 130 Stirling Street, Perth, Western Australia, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 12, 13 and 14 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 12, 13 and 14 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Approval of 10% Placement Capacity	☐	☐	☐
Resolution 3 – Re-election of R Grivas	☐	☐	☐
Resolution 4 – Ratification of Prior Issue of Share	☐	☐	☐
Resolution 5 – Ratification of Prior Issue of Options	☐	☐	☐
Resolution 6 – Ratification of Prior Issue of Shares	☐	☐	☐
Resolution 7 – Ratification of Prior Issue of Convertible Notes	☐	☐	☐
Resolution 8 – Approval to Issue Options to Barclay Wells	☐	☐	☐
Resolution 9 – Approval to Issue Outstanding Options	☐	☐	☐
Resolution 10 – Approval to Issue Options	☐	☐	☐
Resolution 11 – Approval to Issue Options	☐	☐	☐
Resolution 12 – Approval of Issue of Incentive Options to P Gallagher	☐	☐	☐
Resolution 13 – Approval of Issue of Incentive Options to R Grivas	☐	☐	☐
Resolution 14 – Approval of Incentive Options to D Netherway	☐	☐	☐

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

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

Signature of Shareholder(s): _____ Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Canyon Resources Limited, PO Box 270, West Perth WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9389 1464; or
 - (c) email to the Company at pmacleod@gapcs.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.