

---

## **HARDEY RESOURCES LIMITED**

**ACN 115 593 005**

### **NOTICE OF ANNUAL GENERAL MEETING**

---

**TIME:** 12:30pm (WST)

**DATE:** Thursday, 29 November 2018

**PLACE:** 54 Kings Park Road  
WEST PERTH WA 6005

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

**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.**

**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 Tuesday, 27 November 2018.**

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, on (+61 8) 6559 1792**

---

## BUSINESS OF THE ANNUAL GENERAL MEETING

---

### AGENDA

---

#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's report.

---

#### 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 2018.”*

**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 any 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 the 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 – RE-ELECTION OF DIRECTOR –MR TERENCE CLEE

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

*“That, for the purpose of clause 11.3 of the Constitution and for all other purposes, Mr Terence Clee, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

---

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR ROBERT MCCAULEY

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

*“That, for the purpose of clause 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert McCauley, a Director who was appointed as an additional Director on 20 April 2018, retires, and being eligible, is elected as a Director.”*

---

#### 5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR ROBIN ARMSTRONG

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

*“That, for the purpose of clause 11.12 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robin Armstrong, a Director who was appointed as an additional Director on 21 February 2018, retires, and being eligible, is elected as a Director.”*

---

#### 6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, 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 Company to issue up to that number of Equity Securities equal 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 in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or 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.

---

**DATED: 26 OCTOBER 2018**

**BY ORDER OF THE BOARD**

**SARAH SMITH  
COMPANY SECRETARY**

### **Voting in person**

---

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

### **Voting by proxy**

---

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

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

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

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

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

---

## EXPLANATORY STATEMENT

---

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

---

### 1. FINANCIAL STATEMENTS AND REPORTS – AGENDA ITEM

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the Period from 1 July 2017 to 30 June 2018 together with the Directors' Declaration, the Directors' Report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.hardeyresources.com.au](http://www.hardeyresources.com.au) or on the ASX platform for "HDY" [www.asx.com.au](http://www.asx.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 Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and Key Management Personnel of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2018.

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.

A reasonable opportunity will be provided for discussion of the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act that came into effect on 1 July 2011, a Company will be required to put to 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 shareholders vote in favour of the Spill Resolution, the company must convene the general 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 previous 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 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 at that general meeting were less than 25%. Accordingly, a Spill Resolution is not relevant for this Annual General Meeting.

---

### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR TERENCE CLEE**

Clause 11.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest one-third, shall retire from office, and any other Director not in such one-third who has held office for 3 years or more (except a Managing Director), must retire from office.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Mr Clee started his professional career at KPMG Sydney, working in Corporate Audit and Tax. He then became a partner in a multidisciplinary legal practice alongside colleagues formerly of Allens Arthur Robinson and Ashurst. Mr Clee's client base comprised of large corporates in the mining and technology space. Mr Clee also has experience in the start-up and small cap space. He has advised technology companies and miners of all sizes on commercialisation, mergers and acquisitions, cross-border transactions and R&D.

Mr Clee holds a Bachelor of Commerce (Accounting) and Bachelor of Laws from the University of NSW. Mr Clee is a solicitor admitted to the Supreme Court of NSW. He currently serves as a director of numerous ASX listed and unlisted companies.

During the past three years, Mr Clee held the following directorships in other ASX-listed companies:

- Executive Director of Victory Mines Limited (current);
- Non-Executive Chairman of Manalito Limited (current); and
- Non-Executive Chairman of JV Global Limited (current).

Mr Clee is currently employed in an executive capacity as the Executive Chairman of the Company. Therefore, if elected the board considers Mr Clee will not be an independent director.

The Directors (other than Mr Clee) recommend that Shareholders vote in favour of this Resolution. Mr Clee does not make any recommendation in relation to his own re-election.

---

#### **4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR ROBERT MCCAULEY**

Clause 11.11 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 11.12 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr McCauley, having been appointed on 20 April 2018 will retire in accordance with clause 11.12 of the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

##### **4.1 Robert McCauley**

Mr McCauley holds a BSc degree and is a Member of the Royal Institution of Chartered Surveyors (Aust.UK). He is also a Registered Surveyor, Licensed Surveyor WA and a Chartered Land & Minerals Surveyor.

Mr McCauley has over 35 years of experience and involvement in infrastructure development including Boddington Gold Mine WA – now Newmont Mining Corporation; North West Shelf Natural Gas Project and the Monasavu Hydro Electric Scheme, Fiji - World Bank Project.

Mr McCauley has held senior Board and Management positions in ASX Listed Companies including Commissioners Gold Ltd now Gold Mountain Ltd (ASX:GMN) and has extensive experience in capital raisings, IPO's, finance, media, corporate advice and acquisitions. Robert was also nominated in 2011 as an industry representative on the ASX equity market review panel reporting to ASIC.

The board considers Mr McCauley to be an independent director. He was appointed to the board on 20 April 2018 and the board supports his re-election.

---

#### **5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR ROBIN ARMSTRONG**

Clause 11.11 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 11.12 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Armstrong, having been appointed on 21 February 2018 will retire in accordance with clause 11.12 of the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

## **5.1 Robin Armstrong**

Mr Armstrong has more than 35 years' experience in the stockbroking and corporate finance industry and was executive director of Findlay Stockbrokers Limited. He brings a wealth of experience and investor contacts and has served on many ASX-listed small and mid-company boards during his career. Mr Armstrong assists the Company in corporate fund raisings and marketing the Company and its projects.

During the past three years, Mr Armstrong was a Non-Executive Chairman of Wolfstrike Rentals Group Limited (resigned 30 November 2016).

The board considers Mr Armstrong to be an independent director. He was appointed to the board on 21 February 2018 and the board supports his re-election.

---

## **6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **6.1 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 over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

The Company is an Eligible Entity (as defined below).

If Shareholders approve this Resolution, 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 6.2 below).

The effect of this Resolution will be to allow the Directors 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.

Resolution 5 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 for it to be passed.

### **6.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and 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 A&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 A&P/ASX 300 Index and has a market capitalisation of \$7,947,947 on the basis of the closing Share price on 6 September 2018 (being the last trading day prior to the Company's suspension from trading) of approximately \$0.003.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has 2 classes of Equity Securities on issue, being the Shares (ASX Code: HDY) and Quoted Options (ASX Code: HDYOC), and two classes of Unquoted Options

If Shareholders approve Resolution 5, 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:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule; and
  - (d) 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.

### 6.3 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:

(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 paragraph 6.3(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
- (ii) 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),

**(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 this Resolution 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	Dilution			
	Issue Price (per Share)	\$0.0015 (50% decrease in current issue price)	\$0.003 (Current issue price)	\$0.006 (100% increase in current issue price)
<b>2,649,315,830 (Current)</b>	<b>Shares issued</b>	264,931,583 Shares	264,931,583 Shares	264,931,583 Shares
	<b>Funds Raised</b>	\$397,397	\$794,794	\$1,589,589
<b>3,973,973,745 (50% increase)*</b>	<b>Shares issued</b>	397,397,375 Shares	397,397,375 Shares	397,397,375 Shares
	<b>Funds Raised</b>	\$596,096	\$1,192,192	\$2,384,384
<b>5,298,631,660 (100% increase)*</b>	<b>Shares issued</b>	529,863,166 Shares	529,863,166 Shares	529,863,166 Shares
	<b>Funds Raised</b>	\$794,794	\$1,589,589	\$3,179,179

\*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. The current shares on issue of 2,649,315,830 are the Shares on issue as 26 October 2018.
2. The issue price set out above is the closing price of the Shares on the ASX on 6 September 2018 (being the last trading day prior to the Company's suspension from trading).
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. There are currently no Options on issue.
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:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) 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) for cash consideration in which case the Company intends to use funds for further exploration efforts of its Nelly Vanadium and Vanadium Mining tenements, gold tenements at Hackney's Creek and Isabell; for the Burruga Project; for the identification and acquisition of new resources, assets and investments (including expenses associated with such an acquisition); and for consulting fees, corporate expenses and working capital; or
- (ii) as non-cash consideration for the identification and acquisition of new assets and investments, 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 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 allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees 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).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 15 November 2017 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 15 November 2017, the Company otherwise issued a total of 2,025,019,636 Shares, 111,111,111 Performance Shares (converted to fully paid ordinary shares on 6 March 2018) and 1,935,555,754 Options which represents approximately 693% of the total diluted number of Equity Securities on issue in the Company on 15 November 2017 which was 513,185,083

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 1.

(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.

#### **6.4 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 this Resolution.

The Directors recommend that Shareholders vote in favour of this Resolution.

---

**7. ENQUIRIES**

Shareholders are requested to contact Company Secretary on (+ 61 8) 6559 1792 if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

---

**10% Placement Capacity** has the meaning given in section 6.1 of this Notice.

**\$** means Australian dollars.

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

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

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

**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.

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

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

**Company** means Hardey Resources Limited (ACN 115 593 005).

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

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

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

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&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.

**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 of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listed Option** means an option to acquire a share issued on the terms and conditions as the current Listed Options Class on issue (HDYOC).

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

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 2.

**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 2018.

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

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

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

**Variable A** means "A" as set out in the calculation in Section 6.2 of this Notice.

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

**SCHEDULE 1– ISSUES OF EQUITY SECURITIES SINCE 15 NOVEMBER 2017**

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 17/11/2017 Appendix 3B – 17/11/2017	113,666,659	Shares	The fully paid ordinary shares were issued to sophisticated and professional investors as part of a private Placement announced 24 October 2017 (Tranche 2). Approved at General Meeting held 15 November 2017. The placement participants were clients of Hartleys Limited, Xcel Capital Pty Ltd and Everblu Capital Pty Ltd.	\$0.009 per share (Discount of 64% to a closing price of \$0.025)	Amount raised: \$1,023,000 Use of Funds: For the Company's existing projects including the Burruga project, the Hardey Project's maiden exploration program, and for working capital.  Amount spent: \$1,023,000
Issue – 17/11/2017 Appendix 3B – 17/11/2017	166,666,665	Listed Options (\$0.02; Expiry 30 April 2020) (full terms & conditions in Notice of Meeting dated 21/03/2017 and lodged with ASX 22/03/2017)	Free attaching listed options issued to sophisticated and professional investors who participated in the Placement announced to ASX on 24 October 2017. Approved at General Meeting held 15 November 2017. The placement participants were clients of Hartleys Limited, Xcel Capital Pty Ltd and Everblu Capital Pty Ltd.	Nil Closing share Price on date of issue: \$0.025	Amount raised: Nil – free attaching listed options issued as part of October 2017 Placement. Current value: \$166,666
Issue – 21/11/2017 Appendix 3B – 21/11/2017	277,777,777	Shares	Issued to the Hardey Resources Pty Ltd Shareholders as consideration for the acquisition of Hardey Resources Pty Ltd as announced to ASX on 24 October 2017. Approved at General Meeting held 15 November 2017.	Nil Closing share Price on date of issue: \$0.018	Amount raised: Nil – Issued to the Hardey Resources Pty Ltd Shareholders as consideration for the acquisition of Hardey Resources Pty Ltd as announced to ASX on 24 October 2017 Current value: \$833,333
Issue – 21/11/2017 Appendix 3B – 21/11/2017	138,888,889	Listed Options (\$0.02; Expiry 30 April 2020) (full terms & conditions in Notice of Meeting dated	Free attaching listed options issued to the shares issued to shareholders of Hardey Resources Pty Ltd as announced to ASX	Nil Closing share Price on date of issue: \$0.018	Amount raised: Nil Free attaching Options to the Shares issued to the Hardey Resources Pty Ltd Shareholders as consideration for the

		21/03/2017 and lodged with ASX 22/03/2017	on 24 October 2017. Approved at General Meeting held 15 November 2017.		acquisition of Hardey Resources Pty Ltd as announced to ASX on 24 October 2017 Current value: \$138,889
Issue – 21/11/2017 Appendix 3B – 21/11/2017	111,111,111	Performance Shares (these Performance Shares converted to fully paid ordinary shares on 6 March 2018 on the satisfaction of Performance Milestone as per ASX announcement dated 6 March 2018)	Issued to the Hardey Resources Pty Ltd Shareholders as consideration for the acquisition of Hardey Resources Pty Ltd as announced to ASX on 24 October 2017. Approved at General meeting held 15 November 2017.	Nil Closing share Price on date of issue: \$0.018	Amount raised: Nil – Issued to the Hardey Resources Pty Ltd Shareholders as consideration for the acquisition of Hardey Resources Pty Ltd as announced to ASX on 24 October 2017 Current value: \$333,333
Issue – 30/11/2017 Appendix 3B – 30/11/2017	3,575,000	Shares	The fully paid ordinary shares were issued to Stocks Digital in lieu of cash for marketing and investor relations services provided.	Nil Closing share Price on date of issue: \$0.012	Amount raised: Nil – The fully paid ordinary shares were issued in lieu of cash for marketing and investor relations services provided. Current value: \$10,725
Issue- 20/03/2018 Appendix 3B 20/03/2018	148,747,837	Shares	The fully paid ordinary shares were issued to sophisticated and professional investors as part of a private Placement announced 16 March 2018 (Tranche 1). The Shares were ratified by shareholders at General Meeting held 30 April 2018. The placement participants were clients of Everblu Capital Pty Ltd.	\$0.004 per share (20% discount to a closing price of \$0.005)	Amount raised: \$594,991  Use of Funds: To further the Company's exploration efforts for Hardey's existing projects, primarily the Burruga project. In addition, for maintenance of the gold and base metals projects in Pilbara, WA. For new project generation, corporate expenses and working capital.  Amount spent: \$594,991
Issue- 07/05/2018 Appendix 3B 07/05/2018	168,295,750	Shares	The fully paid ordinary shares were issued to sophisticated and professional investors as part of a private Placement announced 16 March 2018 (Tranche 2). The Placement was approved by shareholders at General Meeting held 30 April 2018. The placement	\$0.004 per share (20% discount to a closing price of \$0.005)	Amount raised: \$673,183 Use of Funds: To further the Company's exploration efforts for Hardey's existing projects, primarily the Burruga project. In addition, for maintenance of the gold and base metals projects in Pilbara, WA. For new project generation, corporate expenses and working capital.

			participants were clients of Everblu Capital Pty Ltd.		Amount spent: \$663,000 Intended use of remaining funds: Exploration at Nelly Vanadium Mine, Argentina and Vanadium tenements in Queensland and Northern Territory, maintenance of the Company's existing projects including the Burruga project and the gold and base metals projects in the Pilbara, WA, and working capital.
Issue- 07/05/2018 Appendix 3B 07/05/2018	317,043,587	Listed options (\$0.02; Expiry 30 April 2020) (full terms and conditions detailed in Prospectus lodged with ASX on 18 Aug 2017).	Free attaching options issued to participants of the Placement completed in two tranches in March and May 2018 (as announced to ASX on 16 March 2018). The placement participants were clients of Everblu Capital Pty Ltd.	Nil Closing share Price on date of issue: \$0.005	Amount raised: Nil – free attaching listed options issued as part of March 2018 Placement.  Current value: \$317,043
Issue- 16/05/2018 Appendix 3B 16/05/2018	25,456,613	Shares	The fully paid ordinary shares were issued to sophisticated and professional investors as part of a private Placement announced 16 March 2018 (Tranche 2–Part 2). The Placement was approved by shareholders at General Meeting held 30 April 2018. The placement participants were clients of Everblu Capital Pty Ltd.	\$0.004 per share (20% discount to a closing price of \$0.005)	Amount raised: \$101,826 Use of Funds: To further the Company's exploration efforts for Hardey's existing projects, primarily the Burruga project. In addition, for maintenance of the gold and base metals projects in Pilbara, WA. For new project generation, corporate expenses and working capital.  Amount spent: Nil Intended use of remaining funds: Exploration at Nelly Vanadium Mine, Argentina and Vanadium tenements in Queensland and Northern Territory, maintenance of the Company's existing projects including the Burruga project and the gold and base metals projects in the Pilbara, WA, and working capital.
Issue- 16/05/2018 Appendix 3B	25,456,613	Listed options (\$0.02; Expiry 30 April 2020) (full terms and	Free attaching options issued to participants of the Placement	Nil Closing share Price on date of issue: \$0.005	Amount raised: Nil – free attaching listed options issued as part of March 2018 Placement.

16/05/2018		conditions detailed in Prospectus lodged with ASX on 18 Aug 2017).	completed in two tranches in March and May 2018 (as announced to ASX on 16 March 2018)		Current value: \$25,456
Issue- 24/08/2018 Appendix 3B 24/08/2018	1,287,500,000	Shares	Shares issued to the Vendors of Nelly Vanadium Pty Ltd and Vanadium Mining Pty Ltd as consideration for the acquisition of these companies as announced to ASX on 3 July 2018 and 19 July 2018. Approved at General meeting held 24 August 2018.	Nil Closing share Price on date of issue: \$0.006	Amount raised: Nil – Issued to the Vendors of Nelly Vanadium Pty Ltd and Vanadium Mining Pty Ltd as consideration for the acquisition of these companies as announced to ASX on 3 July 2018 and 19 July 2018.  Current value: \$3,862,500
Issue- 24/08/2018 Appendix 3B 24/08/2018	1,287,500,000	Listed options (\$0.02; Expiry 30 April 2020) (full terms and conditions detailed in Prospectus lodged with ASX on 18 Aug 2017.	Free attaching listed options issued to the shareholders of Nelly Vanadium Pty Ltd and Vanadium Mining Pty Ltd as consideration for the acquisition of these companies as announced to ASX on 3 July 2018 and 19 July 2018. Approved at General meeting held 24 August 2018.	Nil Closing share Price on date of issue: \$0.006	Amount raised: Nil Free attaching Options issued to the shareholders of Nelly Vanadium Pty Ltd and Vanadium Mining Pty Ltd as consideration for the acquisition of these companies as announced to ASX on 3 July 2018 and 19 July 2018.  Current value: \$1,287,500

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: HDY (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the way the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities, the value is based on the closing price of the Shares ASX:HDY (\$0.003) or Listed Options ASX:HDYOC (\$0.001) on the ASX on the trading day prior to the date of this Notice. In respect of unquoted Equity Securities, the value of Options is 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 impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk-free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares). In respect of the Performance Shares, the value is based on the closing price of the Shares ASX:HDY (\$0.003) on the ASX on the trading day prior to the date of this Notice.

---

## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

---

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 April 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Timing of issue of Shares on exercise**

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

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

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

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

(h) **Shares issued on exercise**

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

(i) **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.

(j) **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.

(k) **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.

(l) **Transferability**

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



ABN 45 115 593 005

Lodge your vote:

Online: www.investorvote.com.au

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

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

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

For all enquiries call: (within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

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

Proxy Form

XX



Vote and view the annual report online

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



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

For your vote to be effective it must be received by 12:30pm (WST) Tuesday, 27 November 2018

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

GO ONLINE TO VOTE, or turn over to complete the form ->

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

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Hardey Resources Limited hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Hardey Resources Limited to be held at 54 Kings Park Road, West Perth, Western Australia on Thursday, 29 November 2018 at 12:30pm (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr Terence Clee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director - Mr Robert McCauley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director - Mr Robin Armstrong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /