

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

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| <b>Date of Meeting:</b>  | <b>Monday 23 November 2015</b>                               |
| <b>Time of Meeting:</b>  | <b>12.30 pm WST</b>                                          |
| <b>Place of Meeting:</b> | <b>The Celtic Club<br/>48 Ord Street, WEST PERTH WA 6005</b> |

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Zenith Minerals Limited will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, at 12.30 pm WST on Monday 23 November 2015.

### AGENDA ORDINARY BUSINESS

#### AGENDA ITEM 1 - FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ending 30 June 2015.

**Note: There is no requirement for Shareholders to approve these reports**

#### RESOLUTIONS

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

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

*"That, for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Company adopts the annual Remuneration Report as set out in the Directors' Report for the financial year ending 30 June 2015."*

Please note that in accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any member of the Key Management Personnel whose remuneration is included in the Remuneration Report and any of their closely related parties. However, the Company will not disregard a vote cast on this Resolution by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as

indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

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

*"That, Mr Julian David Goldsworthy, who retires as a Director of Zenith Minerals Limited, pursuant to clause 14.4 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, is re-elected as a Director of the Company."*

## SPECIAL BUSINESS

### 3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 2,500,000 Shares at an issue price of \$0.08 per Share to the parties pursuant to the Placement, for the purpose and on the terms set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any person associated with that person. However, the Company will not disregard a vote cast on this Resolution by such person if:

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

### 4. RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms 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 the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard a vote cast on this Resolution by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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

## **Explanatory Statement**

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

## **Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of corporate representative form is enclosed if required.

## **Entitlement to attend and vote**

For the purposes of voting at this Annual General Meeting, a Shareholder's voting entitlement will be taken to be the entitlement of the Shareholder shown on the register of Shareholders at 5:00 pm WST on Saturday 21 November 2015.

## **BY ORDER OF THE BOARD**

**Melinda Nelmes**  
Company Secretary

6<sup>th</sup> October 2015

*The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

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## Explanatory Statement

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This Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

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### Agenda Item 1 - Financial Statements and Reports

The Annual Financial Report as at 30 June 2015 (including the financial statements, Directors' Reports and Auditor's Report) is tabled for the information of Shareholders. A copy of the Annual Financial Report can be accessed on-line at <http://www.zenithminerals.com.au/>. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Report. However, time will be allowed during the Annual General Meeting for consideration by Shareholders of the Annual Financial Report (including the associated Directors' Report and Auditor's Reports).

The Company's auditor, PKF Mack, will be present at the Annual General Meeting and Shareholders will have the opportunity ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5.00pm (WST) on Monday, 16 November 2015:

In person at: Level 2, 33 Ord Street, West Perth, Western Australia  
By post to: PO Box 1426, West Perth WA 6872  
By facsimile to: +61 8 9481 0411  
By email to: [info@zenithminerals.com.au](mailto:info@zenithminerals.com.au).

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### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the year ended 30 June 2015 is set out in the 2015 Annual Report and is also available on the Company's website at <http://www.zenithminerals.com.au/>.

The Remuneration Report includes an explanation of the Company's remuneration policies and the remuneration arrangements in place for Directors and certain senior executives whose remuneration arrangements are required by law to be disclosed.

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.

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, then the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote. If the Company's remuneration report receives at least 25% of the votes cast against its adoption at two consecutive annual general meetings (that is 'two strikes'), the Company will be required to put

to Shareholders a resolution proposing the calling of a general meeting (**Spill Meeting**) to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of that second annual general meeting. All of the Directors who were in office when the Company's Directors' Report 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. Further information will be provided on the Spill Resolution and Spill Meeting for any annual general meeting at which the Company may face a 'second strike'.

The Company's Remuneration Report did not receive a "no" vote of 25% or more at the Company's previous annual general meeting held on 21 November 2014.

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 2015 Annual Report of the Company for the financial year ending 30 June 2015.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### **Directors' recommendations**

The Board unanimously recommends Shareholders vote in favour of this Resolution.

The Chairman intends to vote all available proxies to the extent expressly authorised in favour of Resolution 1.

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#### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

Pursuant to Listing Rule 14.4 and clause 14.4 of the Company's Constitution, Directors must retire by rotation at least once every three years. For this reason, Mr Julian David Goldsworthy retires as a Director of the Company and offers himself for re-election.

Further details about Mr Julian David Goldsworthy are set out in the Company's 2015 Annual Report which is available on the Company's website at <http://www.zenithminerals.com.au/>.

#### **Board Recommendation**

The Directors (other than Mr Julian David Goldsworthy) unanimously recommend that Shareholders vote in favour of Resolution 2.

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#### **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT**

##### **Background**

On 28 April 2015, the Company announced that the Company had received a commitment in a share placement to raise \$200,000, comprising 2,500,000 Shares at \$0.08 per Share to a sophisticated and professional investor, BMC (UK) Ltd (**Placement**). The purpose of Resolution 3 is for Shareholders to approve and ratify the issue of the 2,500,000 Shares issued to BMC (UK) Ltd, which was undertaken without Shareholder approval.

##### **Regulatory Requirements**

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it. Under Resolution 3, the Company seeks Shareholder approval for, and ratification of, the issue of the securities issued under Listing Rule 7.1 so

as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities in the next 12 months.

The securities issued, for which approval and ratification is sought under Resolution 3, comprise 1.93% of the Company's fully diluted issued capital (based on the number of Shares and Options on issue as at the date of this Notice of Annual General Meeting).

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

**(a) Number of securities issued and date of issue**

Under Resolution 3, the Company seeks from Shareholders approval for, and ratification of, the issue of 2,500,000 Shares, issued on 28 April 2015.

**(b) The price at which the securities were issued**

The Shares were issued for \$0.08 per Share.

**(c) Terms of the securities**

The Shares are fully paid ordinary shares in the capital of the Company and are on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. The Company has applied to ASX for official quotation of the Shares.

**(d) Persons to whom the securities were issued to**

As announced to the ASX on 28 April 2015, the Shares were issued to BMC (UK) Ltd, a sophisticated and professional investor (pursuant to section 708(8) and 708(11) of the Corporations Act), who was not a related party to the Company (or associate of such a person) at the time of issue of the Shares.

**(e) The use of the funds raised and value of consideration**

The issue of the Shares raised a total of \$200,000, which is to be used to fund ongoing exploration at the Company's projects including Develin Creek (copper-zinc-gold-silver) in Queensland, and Kavaklitepe (gold) in Turkey.

**(f) Voting exclusion statement**

A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Statement.

**Board Recommendation**

The Board believes that the ratification of these issues is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends Shareholders vote in favour of Resolution 3.

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**RESOLUTION 4 - APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

**Background**

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 4 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (b) below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

## **Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

### **(a) Minimum Issue Price**

Equity securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, namely Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the VWAP for securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the Equity Securities are issued; or
- (ii) the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

### **(b) Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 128,634,608 Shares on issue. If Shareholders approve Resolutions 3, the Company will have the capacity to issue a maximum of approximately 12,863,460 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

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

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

- (1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid shares that became fully paid in the 12 months;
- (3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
- (4) less the number of fully paid shares cancelled in the 12 months.

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

**D** is 10%

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

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

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

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

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting (and assumes that Resolution 3 is passed).

The below table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 or Listing Rule 10.11 that are approved at a Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

| Variable "A" in Listing Rule 7.1A.2                                         |                        | Dilution                                  |                       |                                           |
|-----------------------------------------------------------------------------|------------------------|-------------------------------------------|-----------------------|-------------------------------------------|
|                                                                             |                        | \$0.015<br>50% decrease<br>in Issue Price | \$0.03<br>Issue Price | \$0.045<br>50% increase in<br>Issue Price |
| <b>Current Variable A</b><br><b>128,634,608 Shares</b>                      | 10% voting<br>dilution | 12,863,460<br>Shares                      | 12,863,460<br>Shares  | 12,863,460<br>Shares                      |
|                                                                             | Funds raised           | \$192,952                                 | \$385,904             | \$578,856                                 |
| <b>50% increase in<br/>current Variable A</b><br><b>192,951,912 Shares</b>  | 10% voting<br>dilution | 19,295,191<br>Shares                      | 19,295,191<br>Shares  | 19,295,191<br>Shares                      |
|                                                                             | Funds raised           | \$289,428                                 | \$578,856             | \$868,284                                 |
| <b>100% increase in<br/>current Variable A</b><br><b>257,269,216 Shares</b> | 10% voting<br>dilution | 25,726,921<br>Shares                      | 25,726,921<br>Shares  | 25,726,921<br>Shares                      |
|                                                                             | Funds raised           | \$385,904                                 | \$771,808             | \$1,157,711                               |

The table has been prepared on the following assumptions:

- Variable A is 128,634,608, being the number of ordinary securities on issue as at the date of the Notice of Annual General Meeting.
- The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
- No Options are exercised into Shares before the date of the issue of the Equity Securities.
- The Company has not issued any other Equity Securities using its placement capacity under Listing Rule 7.1 or 7.1A in the 12 months preceding this Notice of Meeting.
- 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%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
8. The issue price is 3 cents, being the closing price of the Shares on ASX on 5<sup>th</sup> October 2015.

**(c) Issue Period**

If Shareholders approve Resolution 7, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

**(d) Purpose of Issues**

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

- (i) non-cash consideration for the 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; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and scoping and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

**(e) Allocation Policy**

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

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

The persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility have not been determined as at the date of this Notice but may include existing Shareholders and/or new Shareholders. Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility will be the vendors of the new resources assets or investments.

The persons to whom Equity Securities will be issued to under the Additional 10% Placement Facility will not include related parties of the Company.

**(f) Previous issues of Equity Securities under Listing Rule 7.1A .**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2014 annual general meeting on 21 November 2014.

In the 12 months preceding this Notice of Annual General Meeting, the Company has issued 5,000,000 Equity Securities which represents approximately 4% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of the Equity Securities issued in the 12 month period are outlined in Schedule 1 of this Explanatory Statement.

**(g) Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed persons to whom any Equity Securities may be issued to under the Additional 10% Placement Facility are not as yet known or identified.

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

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

**Board Recommendation**

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 4.

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## GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires

|                                                                        |                                                                                            |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>2015 Annual Report</b>                                              | The Company's annual report dated 22 September 2015.                                       |
| <b>ASIC</b>                                                            | Australian Securities and Investments Commission.                                          |
| <b>ASX</b>                                                             | ASX Limited.                                                                               |
| <b>Board</b>                                                           | board of Directors.                                                                        |
| <b>Chairman</b>                                                        | chairman of the Annual General Meeting.                                                    |
| <b>Company or Zenith</b>                                               | Zenith Minerals Limited ACN 119 397 938.                                                   |
| <b>Company Secretary</b>                                               | the company secretary of the Company.                                                      |
| <b>Constitution</b>                                                    | constitution of the Company.                                                               |
| <b>Corporations Act</b>                                                | <i>Corporations Act 2001</i> (Cth).                                                        |
| <b>Director</b>                                                        | director of the Company.                                                                   |
| <b>Directors' Report</b>                                               | the annual directors' report of the Company.                                               |
| <b>Equity Securities</b>                                               | has the meaning given to that term in the Listing Rules.                                   |
| <b>Explanatory Statement</b>                                           | the explanatory statement that accompanies this Notice of Annual General Meeting.          |
| <b>Key Management Personnel</b>                                        | key management personnel of the Company (as defined in Section 9 of the Corporations Act). |
| <b>Listing Rules</b>                                                   | listing rules of the ASX.                                                                  |
| <b>Meeting or Annual General Meeting</b>                               | the annual general meeting convened by this Notice of Annual General Meeting.              |
| <b>Notice or Notice of Annual General Meeting or Notice of Meeting</b> | this notice of Annual General Meeting.                                                     |
| <b>Option</b>                                                          | an option to subscribe for a Share.                                                        |
| <b>Placement</b>                                                       | has the meaning given to that term in the Explanatory Statement for Resolution 3.          |
| <b>Proxy Form</b>                                                      | the proxy form enclosed with this Notice of Annual General Meeting.                        |
| <b>Remuneration Report</b>                                             | the Company's remuneration report for the year ended 30 June 2015.                         |
| <b>Resolution</b>                                                      | Resolution contained in this Notice of Annual General Meeting.                             |
| <b>Schedule</b>                                                        | Schedule to this Notice of Annual General Meeting.                                         |
| <b>Share</b>                                                           | fully paid ordinary share in the capital of the Company.                                   |
| <b>Shareholder</b>                                                     | holder of a Share in the Company.                                                          |
| <b>VWAP</b>                                                            | volume weighted average price.                                                             |
| <b>WST</b>                                                             | Australian Western Standard Time.                                                          |

## SCHEDULE 1

### DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

| Issue Date       | Number    | Type   | Terms                                                 | Persons to whom securities were issued or the basis on which they were determined                                        | Issue Price | Discount to market price at issue date                                              | Total cash consideration or non-cash consideration and current value of that non-cash consideration | Funds used (as at the Meeting)                                                                                                                                             | Use of funds (and intended use for remaining funds, if any)                                                                                                                                          |
|------------------|-----------|--------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25 November 2014 | 2,500,000 | Shares | Shares to rank equally with existing ordinary shares. | Mr Rodney Michael Joyce participated in the Placement following shareholder approval at the 2014 Annual General Meeting. | \$0.08.     | No discount, issued at 60% premium to closing price on 25 November 2014 was \$0.05. | \$200,000                                                                                           | \$200,000 used to fund initial drilling at the Company's new exploration projects Develin Creek (copper-zinc-gold-silver) in Queensland, and Kavaklitepe (gold) in Turkey. | Funds used to fund initial drilling at the Company's new exploration projects Develin Creek (copper-zinc-gold-silver) in Queensland, and Kavaklitepe (gold) in Turkey.                               |
| 28 April 2015    | 2,500,000 | Shares | Shares to rank equally with existing ordinary shares. | BMC (UK) Ltd, an overseas Sophisticated and professional investor pursuant to the Placement                              | \$0.08      | No discount, issued at 60% premium to closing price on 28 April 2015 was \$0.05.    | \$200,000                                                                                           | To be used to fund ongoing exploration at the Company's projects including Develin Creek (copper-zinc-gold-silver) in Queensland, and Kavaklitepe (gold) in Turkey.        | No funds have been used to date. To be used to fund ongoing exploration at the Company's projects including Develin Creek (copper-zinc-gold-silver) in Queensland, and Kavaklitepe (gold) in Turkey. |

## CORPORATE REPRESENTATIVE FORM

### Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (Company),  
Insert name of shareholder company

the Company has appointed:

.....,  
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the annual general meeting of the members of Zenith Minerals Limited to be held on 23 November 2015 and at any adjournments of that meeting/all meetings of the members of Zenith Minerals Limited.

DATED ..... 2015

### Please sign here

Executed by the Company )  
in accordance with its constituent documents )  
)

.....  
Signed by authorised representative

.....  
Signed by authorised representative

.....  
Name of authorised representative (print)

.....  
Name of authorised representative (print)

.....  
Position of authorised representative (print)

.....  
Position of authorised representative (print)

### Instructions for Completion

- Insert name of appointor Company and the name or position of the appointee (e.g. "John Smith" or "each director of the Company").
- Execute the Certificate following the procedure required by your Constitution or other constituent documents.
- Print the name and position (e.g. director) of each Company officer who signs this Certificate on behalf of the Company.
- Insert the date of execution where indicated.
- Send or deliver the Certificate to the registered office of the Company at 2nd Floor, 33 Ord Street, West Perth, Western Australia, 6005 or PO Box 1426, West Perth, WA 6872 or send by facsimile to (08) 9481 0411 or by email to [info@zenithminerals.com.au](mailto:info@zenithminerals.com.au), not later than 12:30pm AWST Saturday, 21 November 2015.

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**PROXY FORM  
APPOINTMENT OF PROXY**

**ANNUAL GENERAL MEETING**

I/We

being a member of Zenith Minerals Limited entitled to attend and vote at the Meeting, hereby

appoint

(Name of proxy)

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's Nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting of Zenith Minerals Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 23 November 2015 commencing at 12.30 pm (AWST), including to vote or abstain as my/our proxy thinks fit in respect of any procedural resolution, and at any adjournment of that meeting.

**Chairman authorised to exercise proxies on remuneration related matters (Resolution 1)** If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of 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.

**The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions** If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chairman to vote for, against, or to abstain from voting).

**Voting directions to your proxy – please mark ☒ to indicate your directions**

|                      |                                                   | For                      | Against                  | Abstain*                 |
|----------------------|---------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Resolution 1.</b> | Adoption of Remuneration Report                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 2.</b> | Re-election of Director                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 3.</b> | Ratification of prior issue of Shares – Placement | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>Resolution 4.</b> | Approval of Additional 10% Placement Facility     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

**Dated this                                  day of                                  2015**

**Signatures:**

Individual or Shareholder 1

Shareholder 2

Shareholder 3




Sole Director and Sole Company Secretary

Director

Director/Company Secretary

### Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on their behalf.

Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A proxy need not be a member of the Company.

In the case of joint holders, signatures are required by the first named and one other joint holder.

3. Corporate shareholders should comply with the execution requirements as set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two Directors of the Company;
- a Director and a Company Secretary of the Company; or
- for a proprietary company that has a sole Director who is also the sole Company Secretary, that Director.

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

4. 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. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. For the purpose of determining Shareholder entitlements to vote at the Annual General Meeting, shares in the Company will be taken to be held by the persons who are registered holders at 5.00pm WST on Saturday, 21 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
7. To be effective, this proxy (and the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof) must be lodged at the office of the Company, 2nd Floor, 33 Ord Street, West Perth, Western Australia, 6005, or posted to PO Box 1426, West Perth, WA 6872 or sent by facsimile to (08) 9481 0411 or by email to [info@zenithminerals.com.au](mailto:info@zenithminerals.com.au), not less than forty eight (48) hours before the time for holding the Annual General Meeting.