

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

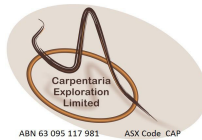
Date of Meeting: Friday, 18 October 2013

Time of Meeting: 11.00am EST

Place of Meeting: The Queensland Irish Association Club
175 Elizabeth Street Brisbane, Queensland, 4000

This Notice of Annual General Meeting and Explanatory Memorandum 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.

Entitlement to vote at the Annual General Meeting will be determined by reference to your Carpentaria Exploration Limited shareholding at 10.00 am Australian Eastern Standard Time on Wednesday 16 October 2013. If you sold or transferred all your shares in Carpentaria Exploration Limited so that you will no longer be on the share register at 10.00 am on Wednesday 16 October 2013, please send this document, together with the accompanying documents, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**Annual General Meeting**) of Shareholders of Carpentaria Exploration Limited (**Company**) will be held at:

Place: The Queensland Irish Association Club, 175 Elizabeth Street Brisbane Queensland, 4000

Date: 11.00am EST on Friday, 18 October 2013.

AGENDA

BUSINESS

The business of the Meeting will consist of:

ORDINARY BUSINESS

Agenda Item 1 - Financial statements and reports

To receive and consider the Company's Annual Report, which includes the Directors' Report, Auditor's Reports and Financial Report for the year ending 30 June 2013.

Agenda Item 2 - Resolutions

Resolution 1 : Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an **advisory resolution** in accordance with section 250R of the Corporations Act:

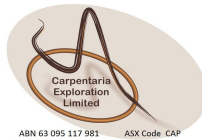
"That, for all purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2013 as disclosed in the Directors' Report for the year ending 30 June 2013."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

Resolution 2: Re-election of Director

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

"That Mr Robert William Hair, who retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and the Constitution of the Company, and being eligible, offers himself for re-election, is elected as a Director of the Company."



Resolution 3: Approval of issue of securities under the Employee Share Plan (ESP)

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

"That, for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules, section 260C(4) of the Corporations Act and for all other purposes, approval is given for the Company to continue to administer and issue securities under the Carpentaria Exploration Limited Employee Share Plan on the terms and conditions set out in the Explanatory Memorandum."

Resolution 4: Approval of issue of options under the Employee Option Plan (EOP)

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

"That, for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to continue to administer and issue securities under the Carpentaria Exploration Limited Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum."

Resolution 5: Approval of issue of ordinary shares under the Employee Share Plan (ESP) to Mr Stuart Nicholas Sheard

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

"That, pursuant to ASX Listing Rule 10.14, section 208 of the Corporations Act), and for all other purposes, the Directors be authorised to allot and issue up to 500,000 fully paid ordinary shares in the capital of the Company pursuant to the Company's Employee Share Plan to Mr Stuart Nicholas Sheard on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."

Resolution 5 is interdependent on Resolution 3.

Resolution 6: Approval of 10% placement facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) over a 12 month period on the terms and conditions set out in the Explanatory Memorandum."

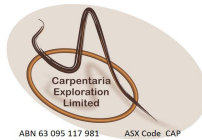
Resolution 7: Section 195 approval

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

"That for the purposes of section 195(4) of the Corporations Act 2001 (Cth), and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions contemplated in this Notice of Annual General Meeting and the Explanatory Memorandum."

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company's Constitution.



VOTING ENTITLEMENTS

For the purpose of determining an entitlement to vote at the Annual General Meeting, a person will be recognised as a member if that person is registered as a holder of Company shares at 11.00am on (48 hours before the Annual General Meeting) Wednesday, 16 October 2013.

VOTING EXCLUSION STATEMENT

Voting exclusion on Resolution 1

A vote may not be cast (in any capacity) on Resolution 1 by or on behalf of:

- Key Management Personnel of the Company (including Directors), details of whose remuneration are disclosed in the Remuneration Report; or
- An associate of those persons.

However, a vote may be cast on Resolution 1 by a member of the Key Management Personnel or an associate of the Key Management Personnel, if the vote is cast as a proxy appointed in writing which specifies the way in which the proxy is to vote on Resolution 1, and the vote is not cast on behalf of a member of the Key Management Personnel or a closely related party to a member of the Key Management Personnel.

Voting exclusion on Resolutions 2 and 7

A vote may not be cast (in any capacity) on Resolution 2 and 7 by or on behalf of:

- A Director of the Company; or
- An associate of those persons.

However, the Company need not disregard a vote if:

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

Voting exclusion on Resolution 3, 4 and 5

A vote may not be cast (in any capacity) on Resolution 3, 4 and 5 by or on behalf of:

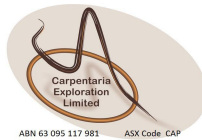
- A Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- An associate of that person (or those persons).

However, the Company need not disregard a vote if:

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

Voting exclusion on Resolution 6

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the issue of the Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if:



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

EXPLANATORY MEMORANDUM

Further information in relation to these resolutions is set out in the Explanatory Memorandum attached to this Notice of Annual General Meeting.

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

PROXIES

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

- A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the member. A proxy need not be a member of the Company.
- 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 in accordance with section 249X(3) of the Corporations Act. Fractions are disregarded.
- A corporation may elect to appoint a representative, rather than a proxy, in accordance with the Corporations Act. In this case, the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company prior to the meeting.

A proxy form accompanies this Notice of Annual General Meeting.

Proxy forms must be received by Link Market Services no later than 10.00am on (48 hours before the Annual General Meeting) Wednesday, 16 October 2013.

The enclosed proxy form provides further details on appointing proxies.

Lodgement of Proxy Forms

Proxy Forms may be lodged:

By mail:

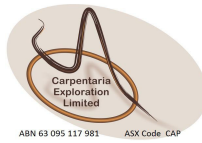
Carpentaria Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By fax:

+61 2 9287 0309

By Link website:

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Security holder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



By hand:

Delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'Chris Bynon-Powell', is positioned above the printed name.

Chris Bynon-Powell
Company Secretary

EXPLANATORY MEMORANDUM

ORDINARY BUSINESS

Agenda Item 1 – Financial statements and reports

The Annual Report for the year ending 30 June 2013 which includes the Directors' Reports, the Auditor's Report and the Financial Report (which includes the financial statements and directors' declaration) is tabled for information of Shareholders but does not require any formal resolution.

Agenda Item 2 – Resolutions

Resolution 1 – Adoption of Remuneration Report

The Corporations Act at section 250R(2) requires that a resolution that the Remuneration Report of the Company be adopted must be put to the vote (**Remuneration Report Resolution**). The vote on the Remuneration Report Resolution is advisory only and does not bind the Company.

The Remuneration Report of the Company for the financial year ending 30 June 2013 is set out in the Directors' Report on pages 12 to 18 of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

(a) Consequences

Changes to the Corporations Act (effective July 2011) contained in Part 2G.2, division 9, have implemented the follow rules:

- (i) if comments are made on the Remuneration Report at the AGM, the Company's Remuneration Report for the next financial year will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reason for this;
- (ii) if a company's Remuneration Report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (the 'two strikes'), a spill resolution must be put at the second AGM requiring shareholders to vote on whether the Company must hold another general meeting to consider spilling the Board. If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days; and
- (iii) at the spill meeting, those individuals who were directors when the Remuneration Report was considered at the most recent AGM will be required to stand for re-election. If, at the spill meeting, all of the directors are removed, the remaining positions will be filled by those three with the highest percentage of votes in their favour.

Such an event would have a significant impact on the Company and severely interrupt the Company's strategy and potentially, its market value.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company, its business and strategic objectives and market practice.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting.

Resolution 2 – Re-election of Director

Pursuant to the ASX Listing Rules and the Constitution, Directors must retire by rotation at least once every three years. Mr Robert William Hair retires as a director of the Company and offers himself for re-election.

Details of Mr Robert Hair's background and experience are contained in the Company's Annual Report which accompanies this Explanatory Memorandum.

Directors' recommendations and interests

The Directors (excluding Mr Robert Hair) recommend you vote in favour of this resolution. The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

Resolution 3 – Approval of issue of securities under the Employee Share Plan (ESP)

Resolution 3 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's Employee Share Plan (**ESP**) without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

Resolution 3 also seeks shareholder approval in accordance with section 260C(4) of the Corporations Act to give financial assistance in connection with an acquisition of Shares in the Company, i.e. by way of the offer of loans to 'Eligible Employees' to finance the acquisition price of Employee Shares by employees under the terms of the ESP.

(a) Overview of regulatory approval requirements – Exception 9 of Rule 7.2 of the ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval.

Listing Rule 7.1 does not apply in certain cases, which are set out in Listing Rule 7.2, which allow specified issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period.

Listing Rule 7.2 includes Exception 9, which provides an exception where an issue under an employee incentive scheme is made if within three years before the date of issue one of the following occurred:

- (i) shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1; or
- (ii) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus.

Accordingly, the Company is seeking shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's ESP without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

(b) Overview of regulatory approval requirements – Section 260C(4) of the Corporations Act

Under the terms of the ESP, to assist 'Eligible Employees' to participate in the ESP the Company may offer loans to 'Eligible Employees' to finance the acquisition price of Shares issued under the ESP (**Employee Shares**).

The provision of such loans may constitute the giving of financial assistance in connection with an acquisition of Shares in the Company. Such financial assistance may be prohibited unless an exemption from section 260A of the Corporations Act applies.

One exemption from section 260A of the Corporations Act (set out in section 260C(4)) is financial assistance given under an employee share scheme approved by a resolution passed at a general meeting of the Company.

Accordingly, the Company is also seeking shareholder approval in respect of the ESP for the purposes of section 260C(4) of the Corporations Act.

(c) Overview of statutory imposed limits

In respect of the issue of securities under both the ESP and EOP, the Company must take reasonable steps to ensure that the number of shares the subject of the offer or to be received on exercise of an option when aggregated with:

- (i) the number of shares in the same class which would be issued were each outstanding offer with respect to shares, units of shares and options to acquire unissued shares, under an employee share scheme to be accepted or exercised; and
- (ii) the number of shares in the same class issued during the previous 5 years pursuant to the employee share scheme or any other employee share scheme extended only to eligible employees of the issuer;

but disregarding any offer made, or option acquired or share issued by way of or as a result of:

- (iii) an offer to a person situated at the time of receipt of the offer outside this jurisdiction; or
- (iv) an offer that did not need disclosure to investors because of section 708; or
- (v) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D; or
- (vi) an offer made under a disclosure document or Product Disclosure Statement,

must not exceed 5% of the total number of issued ordinary shares in that class of the Company as at the time of the offer.

(d) Company information

The ESP was adopted by the Company on 20 August 2007. The ESP was previously approved by Shareholders at the Annual General Meeting held on 22 November 2010. The ESP was amended by the Directors and announced to ASX on 15 March 2011.

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company flexibility to issue securities, the Board seeks approval under the ESP as an exception to ASX Listing Rule 7.1 for the next three years from the date of this Resolution.

The main purpose of the ESP is to provide an additional incentive to 'Eligible Persons' (being directors and other officers, employees, contractors to and consultants of the Company and its subsidiaries) to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its directors and other officers, employees, contractors and consultants for their efforts.

Shareholders should note:

- (i) This resolution does not approve the issue of Employee Shares to any director of the Company. Employee Shares cannot be granted to directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the ASX Listing Rules.
- (ii) As a result of the amendments made to the ESP on 15 March 2011, the upper limit of shares issuable under the ESP increased from 5% of total issued capital to 10% of total issued capital. Accordingly, the Company can make an offer or invitation for shares to Eligible Persons up to a maximum upper limit of 10% of the total number of shares on issue at the time of the relevant offer, however, any offer that would exceed 5% of the issued capital must be made to employees to whom disclosure is not required under an exemption under section 708 of the Corporations Act.
- (iii) This means that the Company may issue up to 5% of its total shares at the time it makes an offer under the terms of the ESP in accordance with the disclosure required under the Class Order and may issue further securities under the ESP, up to the ESP limit, outside of the terms of the Class Order and without disclosure so long as such offer and resulting issue is in compliance with section 708 of the Corporations Act.
- (iv) The Company will take reasonable steps to ensure that the number of Employee Shares when aggregated with any shares the subject of offers or invitations under any employee share schemes and any shares issued during the previous five years pursuant to employee shares schemes, does not exceed 10% of the total number of shares on issue as at the time of the relevant offer.
- (v) If Employee Shares are issued, this will have the effect of increasing the Company's cash position by the amount of the issue price multiplied by the number of Employee Shares. It will also increase the number of shares that are on issue.
- (vi) Employee Shares will be listed for quotation on ASX and on each other securities exchange on which the Company's shares are listed at the time.
- (vii) Employee Shares issued will rank pari passu in all respects with the Company's existing Shares.

Set out below is the information required to be provided to Shareholders in accordance with Exception 9 of ASX Listing Rule 7.2:

No.	Exception 9 of Listing Rule 7.2 requirement	Information
(i)	A summary of the terms of the ESP:	This is set out in paragraph 3(d) below.
(ii)	The number of securities issued under the ESP since the last approval.	7,400,000

(e) Summary of the terms of the ESP

In accordance with ASX Listing Rule 7.2, Shareholders are provided with the following information.

- (i) The Board Committee will administer the ESP and the Board has general powers to amend the ESP Rules from time to time.
- (ii) The Board Committee administering the ESP will determine participation in the ESP having regard to factors such as seniority, length of service, record of employment and potential contribution. Such participation (by way of an issue of an invitation inviting an application for options) may be subject to the satisfaction of corporate or personal goals.
- (iii) Once an invitation is accepted the Company will issue the number of Employee Shares applied for.
- (iv) Except where necessary to comply with the provisions of an employment contract or other contract approved by the Board whereby executive or technical services are provided to the Company, the issue price for each Employee Share will be not less than:
 - A. (if there was at least one transaction in the Shares on ASX during the 10 business day trading period immediately before the date of the invitation to take up Employee Shares) the price determined by VWAP determination of the Shares on ASX during that period; or
 - B. (if there were no transactions in the Shares on ASX during the 10 business day trading period immediately before the date of the invitation to take up Employee Shares) the last price at which an offer was made on ASX to purchase a Share.
- (v) Employee Shares issued will rank pari passu in all respects with Shares.

(f) Financial assistance to Eligible Employees

To assist Eligible Employees to participate in the ESP, the Company will offer loans to Eligible Employees to finance the acquisition price of the Employee Shares on the following terms:

- (i) Discretion of Company

The Company will have the discretion to determine whether to offer a loan and also to determine how much the employee should subscribe using their own funds and how much of the total purchase price will be made available by a loan.
- (ii) Limited Recourse

The principal amount outstanding under loans made by the Company will be interest free. The loans will be of a limited recourse nature such that the Company will accept in full satisfaction of repayment of a loan the amount of the market value of the Employee Shares at the time the loan is due to be repaid (less any transaction costs relating to the disposal of the shares) in the event that the market value of the Employee Shares is less than the amount of the loan outstanding. The loan is to be repaid within such period as is specified by the Board Committee at the time of making the invitation.
- (iii) Rights and entitlements

From the date Employee Shares are acquired under the ESP, employees will have full entitlements to all dividends and bonus shares, and voting rights, although, unless otherwise determined by the Board, the amount of any cash dividend will be applied against

repayment of any loan which may have been made available to assist the acquisition of the Employee Shares.

(iv) Restrictions on disposal of Employee Shares

A. An Eligible Employee may not sell or otherwise deal with an Employee Share until the loan amount in respect of that Employee Share has been repaid and until the expiry of the qualifying period in respect of the Employee Shares, if any, that may be imposed by the Board and set out in the invitation, and the Company:

- will retain the Share certificate (if any) and an executed Share transfer form in respect of the Employee Shares;
- may apply a holding lock; and
- may refuse to register a transfer of Employee Shares,

until the loan amount has been repaid and any applicable qualifying periods have passed. The Company will have a lien over any Employee Shares in relation to which a loan remains outstanding.

B. If an Eligible Employee wishes to sell any Employee Shares prior to repayment in full of the loan amount and prior to the expiry of any qualifying period then the eligible employee may give written notice to the Company requesting the Company to sell the relevant Employee Shares. In the absolute discretion of the Board Committee, in the case of hardship or otherwise, and provided the Board Committee is of the opinion that the proceeds from the sale of the Employee Shares are reasonably likely to exceed the amount outstanding in relation to the loan, the Company may, within 30 days after receipt of such a notice, arrange for the sale of the Employee Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses).

(v) Repayment of loan upon ceasing to be an Eligible Employee

If, prior to the repayment in full of the loan by an Eligible Employee, the Eligible Employee dies, becomes bankrupt or ceases to be an Eligible Employee, then the Eligible Employee (or his or personal representative) must elect between one of the following (and if no election is made the first is deemed to apply):

- A. to have Company sell on ASX, or place, the relevant Employee Shares and apply the proceeds of the sale in repayment of the loan (together with reasonable expenses); or
- B. to repay the loan and, upon repayment in full of the loan, have the relevant Employee Shares fully vested in their name. If this election is made then the loan must be repaid within 12 months in the event of the death, bankruptcy, retirement or retrenchment or within one month in the event that the eligible employee resigns, is terminated or otherwise ceases to be an eligible employee.

Details of any Employee Shares issued under the ESP will be published in each Annual Report of the Company relating to a period in which Employee Shares have been issued, and that approval for the issue of Employee Shares was obtained under Listing Rule 10.14 (if required).

Any additional persons who become entitled to participate in the ESP after the resolution was approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14 (if required).

(g) Directors' recommendations and interests

The Directors recommend you vote in favour of this resolution. The Chairman of the meeting intends to vote undirected proxies in favour this resolution.

Resolution 4 – Approval of issue of options under the Employee Option Plan (EOP)

Resolution 4 seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's Employee Option Plan (**EOP**) without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

(a) Overview of regulatory approval requirements

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval.

Listing Rule 7.1 does not apply in certain cases, which are set out in Listing Rule 7.2, which allow specified issues of securities to be excluded from the calculation of the number of securities issued in the 12 month period.

Listing Rule 7.2 includes Exception 9, which provides an exception where an issue under an employee incentive scheme is made if within three years before the date of issue one of the following occurred:

- (iii) shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1; or
- (iv) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme were set out in the prospectus.

Accordingly, the Company is seeking shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Company's EOP without prior shareholder approval and in reliance on the exception to ASX Listing Rule 7.1 for the next three years.

(b) Company information

The EOP was adopted by the Company on 20 August 2007. Given that this was prior to the date the Company was admitted to the Official List of the ASX and given that a summary of the EOP was set out in the prospectus of the Company issued on 7 September 2007 (**Prospectus**), the Company availed itself of Exception 9 of Listing Rule 7.2 from 7 September 2007 until 7 September 2010. On 22 November 2010 approval was provided by Shareholders for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules, section 260C(4) of the Corporations Act and for all other purposes for the Company to administer and issue securities under the ESP for a period of three years. The EOP was amended by the Directors and announced to ASX on 15 March 2011.

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company flexibility to issue options going forward, the Board seeks further approval under the EOP as an exception to ASX Listing Rule 7.1 for the next three years from the date of this Resolution.

The main purpose of the EOP is to provide an additional incentive to 'Eligible Persons' (being directors and other officers, employees, contractors to and consultants of the Company and its subsidiaries) to provide dedicated and ongoing commitment and effort to the Group, and for the Company to reward its directors and other officers, employees, contractors and consultants for their efforts.

It should be noted that:

- (i) This Resolution does not approve the issue of any options under the EOP (**Employee Options**) to any director of the Company. Employee Options cannot be granted to directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the ASX Listing Rules.
- (ii) As a result of the amendments made to the EOP on 15 March 2011, the upper limit of options issuable under the EOP increased from 5% of total issued capital to 10% of total issued capital. Accordingly, the Company can make an offer or invitation for options to Eligible Persons up to a maximum upper limit of 10% of the total number of shares and options on issue at the time of the relevant offer, however, any offer that would exceed 5% of the issued capital must be made to employees to whom disclosure is not required under an exemption under section 708 of the Corporations Act.
- (iii) This means that the Company may issue up to 5% of its total options at the time it makes an offer under the terms of the EOP in accordance with the disclosure required under the Class Order and may issue further securities under the EOP, up to the EOP limit, outside of the terms of the Class Order and without disclosure so long as such offer and resulting issue is in compliance with section 708 of the Corporations Act.
- (iv) The Company will take reasonable steps to ensure that the number of shares the subject of Employee Options, when aggregated with any shares the subject of offers or invitations under any employee share schemes and any shares issued during the previous five years pursuant to employee shares schemes, does not exceed 10% of the total number of shares on issue as at the time of the relevant offer.
- (v) If Employee Options are exercised, this will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of shares that are on issue by the number of options exercised.
- (vi) Employee Options will not be listed for quotation on ASX. However, the Company will make application for the official quotation of shares issued on the exercise of Employee Options to ASX and to each other securities exchange on which shares are listed at the time.
- (vii) Shares issued pursuant to the exercise of the Employee Options will rank pari passu in all respects with the Company's existing ordinary shares

Set out below is the information required to be provided to Shareholders in accordance with Exception 9 of Listing Rule 7.2:

No.	Exception 9 of Listing Rule 7.2 requirement	Information
(i)	A summary of the terms of the EOP:	This is set out in paragraph 4(c) below.
(ii)	The number of securities issued under the EOP since the last approval.	5,850,000

(c) Summary of the terms of the EOP

In accordance with ASX Listing Rule 7.2, Shareholders are provided with the following information.

- (i) The Board Committee will administer the EOP and the Board has general powers to amend the EOP Rules from time to time.
- (ii) The Board Committee administering the EOP will determine participation in the EOP having regard to factors such as seniority, length of service, record of employment and potential contribution. Such participation (by way of an issue of an invitation inviting an application for options) may be subject to the satisfaction of corporate or personal goals.
- (iii) Once an invitation is accepted the Company will issue the number of Employee Options applied for and an option certificate for them.
- (iv) Each Employee Option entitles the holder of those Employee Option (**Optionholder**), on exercise, to one Share.
- (v) There is no issue price for the Employee Options. The exercise price for the Employee Option will be such price as determined by the Board Committee (in its discretion) being not less than:
 - A. (if there was at least one transaction in the Shares on ASX during the 10 business day period immediately before the date of the invitation to take up Employee Options) the VWAP determination for that period; or
 - B. (if there were no transactions in the Shares on ASX during the 10 business day period immediately before the date of the invitation to take up Employee Options) the last price at which an offer was made on ASX to purchase a Share.
- (vi) The expiry date for an Employee Option is the date determined by the Board Committee at the time of issue, which will be no later than 10 years from the date of issue.
- (vii) Shares issued as a result of the exercise of any Employee Options will rank pari passu in all respects with Shares.
- (viii) Employee Options may not be transferred other than with the prior written approval of the Board Committee.
- (ix) Quotation of Employee Options on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of Shares issued on the exercise of Employee Options.
- (x) An Employee Option may only be exercised by written notice to the Company together with payment in full (unless other arrangements have been approved by the Board Committee). An Employee Option may be exercised at any time after that Employee Option has vested and any other conditions imposed by the Board on exercise satisfied and before it lapses. The Board may determine the vesting period and any condition on exercise (if any).
- (xi) An Employee Option will lapse upon the expiry date (being 10 years from the grant date or such shorter period specified by the Board Committee) or one month after the Optionholder ceases to be an Eligible Person (though if the holder ceases to be an Eligible Person by reason of retirement or retrenchment, bankruptcy or death, not until twelve months after such event).
- (xii) There are no participating rights or entitlements inherent in the Employee Options and Optionholders will not be entitled to participate in new issues of capital offered to

Shareholders during the currency of the Employee Options. However, the Company will ensure that Optionholders will be given such notice period determined by the ASX Listing Rules to determine whether to exercise their Employee Options so as to participate in any bonus or entitlement issue.

- (xiii) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Employee Options, the number of Employee Options to which each Optionholder is entitled or the exercise price of his or her Employee Options, or both, or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.
- (xiv) Annexure 1 to the EOP Rules sets out particular rules, with the Board Committee's consent, certain 'Option Vesting Rights' which are rights to take delivery of and make payment for Shares in periods specified by the Board.

Details of any Employee Options issued under the EOP will be published in each Annual Report of the Company relating to a period in which Employee Options have been issued, and that approval for the issue of Employee Options was obtained under Listing Rule 10.14 (if required).

Any additional persons who become entitled to participate in the EOP after the resolution was approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14 (if required).

(d) Directors' recommendations and interests

The Directors recommend you vote in favour of this resolution. The Chairman of the meeting intends to vote undirected proxies in favour this resolution.

Resolution 5 – Authority to issue shares under the Company Employee Share Plan (ESP) to Mr Stuart Nicholas Sheard

(a) Overview

The Company proposes to offer 500,000 ordinary shares to Mr Stuart Nicholas Sheard (a Director of the Company) under the Company Employee Share Plan (**ESP**). The principal terms of the ESP are summarised in the detail of Resolution 3 of this Explanatory Memorandum. This Resolution 5 is dependent on Resolution 3 being passed by Shareholders.

On 22 November 2010 approval was provided by Shareholders for the purposes of Exception 9 of Listing Rule 7.2 of the ASX Listing Rules, section 260C(4) of the Corporations Act and for all other purposes for the Company to administer and issue securities under the ESP for a period of three years. Resolution 3 of the Notice accompanying this Explanatory Memorandum seeks Shareholder approval to continue to issue securities under the ESP for a further three years.

In essence, the approval allowed the Company to:

- (i) issue shares under the ESP without prior Shareholder approval for the next three years; and
- (ii) give financial assistance in connection with an acquisition of Shares in the Company, i.e. by way of the offer of loans to 'Eligible Employees' to finance the acquisition price of ESP shares under the terms of the ESP rules.

Under the ESP, Shares cannot be issued to directors of the Company or their associates unless prior approval of shareholders is obtained in accordance with the ASX Listing Rules.

The proposed offer of the Director Shares to Mr Stuart Nicholas Sheard is intended to:

- (i) provide an appropriate and adequate incentive;
- (ii) ensure that the Company may retain his service;
- (iii) reinforce the commitment of Mr Stuart Nicholas Sheard to the Company;
- (iv) reflects the level of commitment provided or to be provided by Mr Stuart Nicholas Sheard to the Company, taking into account the responsibilities and time commitments required of him; and
- (v) reflects the value Mr Stuart Nicholas Sheard brings to the Board, and to the enhancement of the Company and the level of commitment required by the Company from him.

The Board acknowledges the issue of shares under the ESP to Mr Stuart Nicholas Sheard is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Shares to Mr Stuart Nicholas Sheard is reasonable in the circumstances. The Board considers that the issue of Director Shares pursuant to the ESP aligns the interests of Mr Stuart Nicholas Sheard with the interests of Shareholders.

(b) Overview of the regulatory approval requirements

Shareholder approval under Resolution 5 is sought for the proposed issue and funding of Director Shares to Mr Stuart Nicholas Sheard, for the purposes of:

- (i) Chapter 2E of the Corporations Act, which governs the giving of financial benefits to related parties (such as directors of a company); and
- (ii) ASX Listing Rule 10.14, which requires the issue of securities to a director of a company under an employee incentive scheme to be approved by the shareholders of the company by way of an ordinary resolution.

ASX Listing Rule requirements

ASX Listing Rule 10.14 provides that an entity must not permit a director to acquire securities under an employee incentive scheme without the approval of the holders of ordinary shares.

ASX Listing Rule 10.15 sets out the information that must be included in the notice of meeting provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 10.14.

Corporation Act requirements

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Director Shares) to a related party (which includes a director and former director) of the Company unless either:

- (i) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (ii) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors are related parties of the Company and the proposed issue of Director Shares to the Directors constitutes the giving of a financial benefit. As the nominated exceptions do not apply, Shareholder approval is required.

Section 219 of the Corporations Act sets out the information that must be included in the notice of meeting provided to shareholders for the purpose of obtaining shareholder approval pursuant to Chapter 2E of the Corporations Act.

(c) **Specific information required under Listing Rule 10.15 and section 219 of the Corporations Act**

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 for the issue of Director Shares to Mr Stuart Nicholas Sheard because he is a Director and is therefore a related party of the Company.

For the purposes of Listing Rule 10.15 and section 219 of the Corporations Act the following information is provided to Shareholders to allow Shareholders to assess the proposed issue of Director Shares.

Listing Rule 10.15 and section 219 Corporations Act	Information			
Identity of the related parties and nature of the financial benefit	Directors are related parties of the Company and the proposed issue of Director Shares to Mr Stuart Nicholas Sheard constitutes the giving of a financial benefit.			
Maximum number of Director Shares that may be issued to the Directors:	Mr Stuart Nicholas Sheard - 500,000			
Status of Director Shares	The Director Shares to be issued are fully paid ordinary shares (restricted) in the Company and shall rank pari passu with existing Shares.			
The issue price of the Director Shares:	The Director Shares will be issued at the VWAP which Shares were traded on the ASX for the 10 days prior to the date the Shareholders approve the issue of the Director Shares at the General Meeting.			
	The value of the Director Shares to be granted cannot be determined with certainty as this will depend on the VWAP of the Shares calculated for the 10 days prior to the date the Shareholders approve the issue of the Director Shares. However, based on the VWAP of Shares calculated over the 10 trading days prior to 6 July 2013, the Shares have an indicative value of \$0.30c per Share. At the time of issue of the Director Shares, the Director Shares may have a higher or lower price. The actual price will be notified in the 3B lodged with the ASX for admission to quotation.			
	The issue price of the Director Shares is to be funded by a limited recourse loan from the Company to Mr Sheard for his Director Shares The table below sets out the indicative value per Director Share calculated over the 10 trading days prior to 6 July 2013 along with the indicative value of the limited recourse loan in respect to the Director Shares proposed to be issued.			
	Allottee	Indicative Value per Director Shares calculated over the 10 trading days prior to 6 July 2013	Number of Director Shares	Indicative Value of limited recourse loan
	Mr Stuart Nicholas Sheard	\$0.30c	500,000	\$150,000
The terms of any loan in relation to the acquisition:	The material terms of the loan for the payment of the issue price of the Director Shares are detailed in section 3 above.			
	The financial benefit for any loan in relation to the issue price of the Director Shares to be issued under the ESP is an interest free loan for the subscription amount of the Director Shares.			

Names of all directors or associates of directors who received shares under the ESP since the last approval including the number of shares received and the acquisition price for each share:	N/A			
The names of all persons entitled to participate in the ESP:	Under the ESP only 'Eligible Employees' (as defined in section 3 above of this Notice) are entitled to participate in the ESP. Mr Stuart Nicholas Sheard has been determined to be an 'Eligible Employee' for the purposes of the ESP.			
The date the Company will issue the Director Shares:	The Company will issue the Director Shares no later than 12 months after the date of the Meeting.			
Current capital structure:	As at the date of this Notice, the capital structure of the Company is as follows:			
	Capital	Number		
	Ordinary shares	111,491,301		
	Options	4,100,000		
Capital structure after Resolution 5 is approved:	If Shareholders approve Resolutions 5 contained in this Notice and the Director Shares are granted as contemplated by this Notice, the issued capital of the Company would be as follows:			
	Capital	Number		
	Ordinary shares	111,991,301		
	Options	4,100,000		
Dilutionary effect:	If Shareholders approve the grant of the 500,000 Director Shares to Mr Stuart Nicholas Sheard the effect will be to dilute the shareholding of existing members by approximately 0.45% based on issued shares as at the date of this Explanatory Memorandum and 0.43% on a fully diluted basis.			
Directors interest in the issued capital of the Company on a fully diluted basis as at the date of this Notice:	As at the date of this Notice, Mr Stuart Nicholas Sheard's holdings in securities in the Company are as set out below. This represents 3.22% of the issued share capital of the Company on a fully diluted basis:			
	Director	Number of Shares held directly and indirectly	Number of Options held directly and indirectly	
	Mr Stuart Nicholas Sheard	2,975,000	750,000	
Directors interest in the issued capital of the Company on a fully diluted basis if Resolution 5 is approved:	If Shareholders approve Resolution 5 contained in this Notice and all Director Shares are issued as contemplated by this Notice, Mr Sheard will hold securities in the Company as set out below. This represents 3.64% of the issued share capital of the Company on a fully diluted basis:			
	Director	Number of Shares held directly and indirectly	Number of Options held directly and indirectly	
	Mr Stuart Nicholas Sheard	3,475,000	750,000	
Current Director remuneration:	Details of Mr Sheard's remuneration for the year ended 30 June 2013 (based on information extracted from the Company's 2013 Annual Report) are as follows:			
	Director	Cash, salary and fees	Superannuation	Total
	Mr Stuart Nicholas Sheard	260,000	20,700	280,700

Estimated Director remuneration:	Details of the estimated remuneration payable to Mr Sheard for the year beginning 1 July 2013 is as follows:			
	Director	Cash, salary and fees	Superannuation	Total
	Mr Stuart Nicholas Sheard	98,333	9,097	107,430
Voting exclusion statement	Voting exclusion statements are contained in the Notice.			

(d) Any other information

In respect to Resolution 5, neither the Board (other than Mr Stuart Nicholas Sheard) nor the Company is aware of any other information that would reasonably be required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5, other than as stated in this Explanatory Memorandum.

(e) Directors' recommendations and interests

The Directors (with the exception of Mr Stuart Nicholas Sheard) recommend you vote in favour of this resolution. The Chairman of the meeting intends to vote undirected proxies in favour this Resolution.

Resolution 6 – Approval of 10% placement facility

(a) Purpose of resolution

The purpose of Resolution 6 is to authorise the Directors to issue a further 10% of its issued share capital under Listing Rule 7.1A during the 10% Placement Period in addition to and without using the Company 15% placement capacity under Listing Rule 7.1.

This effectively gives the Company a 25% placement capacity less that part of its placement capacity not available under Listing Rule 7.1.

(b) General information

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

The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely Shares.

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.

The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c)(iii) below).

As disclosed in the Company's Annual Report, the Company continues actively seeking to acquire new resources assets and other investments. The Company may use the 10% Placement Facility to acquire new resource assets or investments.

(c) Description of Listing Rule 7.1A

(i) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(ii) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(iii) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

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

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

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

D is 10%

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

(iv) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 111,491,301 Shares and therefore has a capacity to issue:

- (A) 16,723,695 Equity Securities under Listing Rule 7.1; and
- (B) subject to Shareholder approval being sought under Resolution 6, 11,149,130 Equity Securities under Listing Rule 7.1A.

The actual 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, or the agreement date, in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c)(iii) (above)).

(v) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (A) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (B) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the Equity Securities are issued.

(vi) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (A) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (B) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by the ASX (**10% Placement Period**).

(e) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the below information is provided in relation to the approval of the 10% Placement Facility:

- (i) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (A) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (B) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the Equity Securities are issued.
- (ii) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

There is a risk that:

- (A) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (B) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities 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.

The table also shows:

- (A) 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 that are approved at a future Shareholders' meeting; and
- (B) 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		
		\$0.088	\$0.175	\$0.270
		50% decrease in Issue Price	Note: this is the share price at 13/09/2013, the date NOM was lodged with ASIC. Issue Price	50% increase in Issue Price
Current Variable A 111,491,301 Shares	10% Voting Dilution	11,149,130 Shares	11,149,130 Shares	11,149,130 Shares
	Funds raised	\$ 975,548.88	\$ 1,951,097.77	\$ 2,926,646.65
50% increase in current Variable A 167,236,952 Shares	10% Voting Dilution	16,723,695 Shares	16,723,695 Shares	16,723,695 Shares
	Funds raised	\$ 1,463,323.33	\$ 2,926,646.65	\$ 4,389,969.98
100% increase in current Variable A 222,982,602Shares	10% Voting Dilution	22,298,260 Shares	22,298,260 Shares	22,298,260 Shares
	Funds raised	\$ 1,951,097.77	\$ 3,902,195.54	\$ 5,853,293.30

The table has been prepared on the following assumptions:

- * The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- * No options are exercised into Shares before the date of the issue of the Equity Securities.
- * 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 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- * The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- * The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- * The issue price is \$0.18c, being the closing price of the Shares on ASX on 13 September 2013 being the date the Notice was prepared.

- (iii) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (iv) The Company may seek to issue the Equity Securities for the following purposes:
 - (A) non-cash consideration for the acquisition of the new resources assets and other investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (B) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or other investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capita.

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

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

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

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If the Company is successful in acquiring new resources assets or investments, it may be that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (v) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
- (vi) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

(f) Directors' recommendations and interests

The Directors recommend you vote in favour of this resolution.

Resolution 7 – Section 195 approval

(a) Overview

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered. Some of the Directors may have a material personal interest in the outcome of Resolutions 5.

In the absence of this Resolution 7, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolution 5.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

(b) Directors' recommendations and interests

As Mr Stuart Nicholas Sheard has an interest in Resolution 5 under which Employee Shares will be allocated, Mr Stuart Nicholas Sheard believes that it is inappropriate to make a recommendation in respect of Resolution 7.

The Directors of the Company (with the exception of Mr Stuart Nicholas Sheard) recommend that Shareholders vote in favour of Resolution 7. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 7.

GLOSSARY OF TERMS

In this Explanatory Memorandum the following expressions have the following meanings:

"\$" means Australian Dollars.

"**10% Placement Facility**" has the meaning given in the Explanatory Memorandum for Resolution 6.

"**10% Placement Period**" has the meaning given in the Explanatory Memorandum for Resolution 6.

"**AGM**" means Annual General Meeting.

"**Annual Report**" means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2013.

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

"**ASX**" means Australian Securities Exchange Limited.

"**ASX Listing Rules**" means the Listing Rules of ASX.

"**Board**" means the board of Directors of the Company.

"**Closely Related Party**" means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

"**Company**" or "**Carpentaria**" means Carpentaria Exploration Limited ACN 095 117 981.

"**Constitution**" means the Company's constitution from time to time.

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

"**Directors**" means the directors of Carpentaria from time to time.

"**Director Shares**" mean those Shares proposed to be issued to Mr Stuart Nicholas Sheard.

"**Eligible Employee**" means an employee of the Company determined to be an 'eligible employee pursuant to the terms of the EOP.

"**Employee Options**" means options issued pursuant to the terms of the EOP.

"**EOP**" means the Employee Option Plan of the Company.

"**Equity Securities**" has the same meaning given in Listing Rule 7.1A.

"**EST**" means Eastern Standard Time, being the time that applies in Brisbane, Queensland.

"**Explanatory Memorandum**" means the explanatory memorandum that accompanies and forms part of this Notice.

"**Key Management Personnel**" means 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.

"Meeting" or **"Annual General Meeting"** means the annual general meeting of shareholders of Carpentaria convened by this Notice.

"Notice" or **"Notice of Annual General Meeting"** means the notice of annual general meeting which accompanies this Explanatory Memorandum.

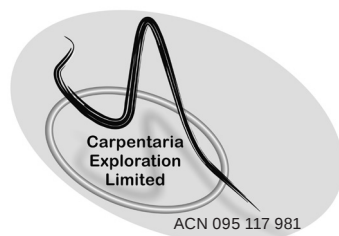
"Resolution" means a resolution referred to in the Notice.

"Share" means an ordinary share in the Company.

"Shareholder" means a Company shareholder.

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

"VWAP" means the volume weighted average price.



LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:

Carpentaria Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 1300 554 474

SECURITYHOLDER PROXY FORM

I/We being a member(s) of Carpentaria Exploration Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **11:00am on Friday, 18 October 2013, at The Queensland Irish Association Club, 175 Elizabeth Street, Brisbane, Queensland, 4000** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

Resolution 1

Adoption of Remuneration Report

For	Against	Abstain*
☐	☐	☐

Resolution 2

Re-election of Director -
Mr Robert William Hair

☐	☐	☐
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Resolution 3

Approval of issue of securities under
the Employee Share Plan (ESP)

☐	☐	☐
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Resolution 4

Approval of issue of options under the
Employee Option Plan (EOP)

☐	☐	☐
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Resolution 5

Approval of issue of ordinary shares
under the Employee Share Plan (ESP)
to Mr Stuart Nicholas Sheard

For	Against	Abstain*
☐	☐	☐

Resolution 6

Approval of 10% placement facility

☐	☐	☐
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Resolution 7

Section 195 approval

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

STEP 3

IMPORTANT - VOTING EXCLUSIONS

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If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Items 3, 4, 5 and 7 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Items and that votes cast by him/her for those Items, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3, 4, 5 and 7 and your votes will not be counted in calculating the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 3, 4, 5 and 7.

STEP 4

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Wednesday, 16 October 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Carpentaria Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

02 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**