
PENINSULA ENERGY LIMITED

ABN 67 062 409 303

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: 29 November 2017

PLACE: BDO
Hay Room
38 Station Street
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9380 9920.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Peninsula Energy Limited to which this Notice of Meeting relates will be held at 10.00am (WST) on Wednesday, 29 November 2017 at:

BDO
Hay Room
38 Station Street
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 27 November 2017.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Peninsula Energy Limited will be held at BDO, Hay Room, 38 Station Street, Subiaco at 10.00am (WST) on 29 November 2017.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements and the related Directors' report, Directors' declarations and the independent audit report of Peninsula Energy Limited for the financial year ended 30 June 2017.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial year ended 30 June 2017.”

Short Explanation: The Corporations Act provides that a resolution for the remuneration report to be adopted must be put to vote at a listed company’s annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

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

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

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

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

3. RESOLUTION 2 – RE-ELECTION OF MR HARRISON BARKER AS A DIRECTOR

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

“That Mr Harrison Barker, being a Director who retires by rotation in accordance with clause 11.3 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

4. RESOLUTION 3 – RE-ELECTION OF MR MARK WHEATLEY AS A DIRECTOR

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

“That Mr Mark Wheatley, being a Director who retires by rotation in accordance with clause 11.3 of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company.”

5. RESOLUTION 4 – RE-ELECTION OF MR DAVID COYNE AS A DIRECTOR

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

“That Mr David Coyne, being a Director of the Company who was appointed on 27 March 2017, retires in accordance with clause 11.12 of the Company’s Constitution and, being eligible for election, be elected as a Director of the Company.”

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

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

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

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

7. RESOLUTION 6 – CHANGE OF CONSTITUTION

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

“That, for the purpose of section 136(2) of the Corporations Act and for all other purposes, the current Constitution of the Company be repealed and that the Company adopt the Constitution tabled at the Meeting. .”

8. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF UNLISTED OPTIONS TO MR WAYNE HEILI

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 900,000 unlisted Options to Mr Wayne Heili (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

9. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF UNLISTED OPTIONS TO MR DAVID COYNE

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 450,000 unlisted Options to Mr David Coyne (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

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

10. RESOLUTION 9 – APPROVAL FOR THE ISSUE OF RESTRICTED SHARE UNITS TO MR WAYNE HEILI UNDER THE LONG TERM INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval is hereby given for the Company to issue Restricted Share Units to Mr Wayne Heili under the Long Term Incentive Plan on the terms and conditions set out in the Explanatory Memorandum to this Notice of Meeting”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

11. RESOLUTION 10 – APPROVAL FOR THE ISSUE OF RESTRICTED SHARE UNITS TO MR DAVID COYNE UNDER THE LONG TERM INCENTIVE PLAN

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

“That, for the purposes of ASX Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, approval is hereby given for the Company to issue Restricted Share Units to Mr David Coyne under the Long Term Incentive Plan on the terms and conditions set out in the Explanatory Memorandum to this Notice of Meeting”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

BY ORDER OF THE BOARD

**JONATHAN WHYTE
COMPANY SECRETARY
PENINSULA ENERGY LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at BDO, Hay Room, 38 Station Street, Subiaco, Western Australia on 29 November 2017 at 10.00am (WST).

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.pel.net.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

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

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

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the remuneration report at the Meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a listed company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

2.3 Previous voting results

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

2.4 Proxy voting restrictions

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

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the remuneration report, or a Closely Related Party of such a member as your proxy:

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such a member):

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you ***must*** mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy:

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF MR HARRISON BARKER AS A DIRECTOR

Clause 11.3 of the Company's Constitution requires that at each annual general meeting one-third of the Directors must retire from office.

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

A profile of Mr Harrison Barker is contained in the Company's annual report for the financial year ended 30 June 2017.

4. RESOLUTION 3 - RE-ELECTION OF MR MARK WHEATLEY AS A DIRECTOR

Clause 11.3 of the Company's Constitution requires that at each annual general meeting one-third of the Directors must retire from office.

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

A profile of Mr Mark Wheatley is contained in the Company's annual report for the financial year ended 30 June 2017.

5. RESOLUTION 4 – ELECTION OF MR DAVID COYNE AS A DIRECTOR

Clause 11.12 of the Company's Constitution requires that a Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office until the next annual general meeting and then be eligible for re-election.

Mr David Coyne was appointed as an addition to the existing Directors on 27 March 2017. In accordance with clause 11.12 of the Company's Constitution, Mr David Coyne retires from office and offers himself for election as a Director.

A profile of Mr David Coyne is contained in the Company's annual report for the financial year ended 30 June 2017.

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

6.1 General

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

The Company is an Eligible Entity for the reasons set out in Section 6.2.

If Shareholders approve Resolution 5, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 6.2 below).

The effect of Resolution 5 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

6.2 Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

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

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

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$71,800,356.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two quoted classes of Equity Securities on issue, being Shares (ASX Code: PEN), and listed Options (ASX Code: PENOD).

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

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (A) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
 - (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (C) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an

issue of Shares under the Company's 15% placement capacity without Shareholder approval; and

(D) less the number of Shares cancelled in the previous 12 months.

D is 10%.

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

6.3 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum price**

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

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 5 ASX trading days of the date in Section 6.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of issue**

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

- (i) 12 months after the date of this Meeting; and
- (ii) the date of the approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

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

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

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

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

Number of Shares on issue (variable 'A' in Listing Rule 7.1A.2)	Dilution			
	Issue price (per Share)	\$0.155 (50% decrease in current issue price)	\$0.31 (Current issue price)	\$0.62 (100% increase in current issue price)
231,614,051 (Current variable A)	Shares issued	22,161,405	23,161,405	23,161,405
	Funds raised	\$3,590,018	\$7,180,036	\$14,360,071
347,421,076 (50% increase in variable A)*	Shares issued	34,742,108	34,742,108	34,742,108
	Funds raised	\$5,385,027	\$10,770,053	\$21,540,107
463,228,102 (100% increase in variable A)*	Shares issued	46,322,810	46,322,810	46,322,810
	Funds raised	\$7,180,036	\$14,360,071	\$28,720,142

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

The table above uses the following assumptions:

1. There are 231,614,051 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX of \$0.31 on 23 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 or ratification under Listing Rule 7.4.
8. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

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

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

- (i) as cash consideration in which case the Company intends to use funds raised for the continued operation of the Lance Projects in Wyoming, USA, purchasing uranium where commercially beneficial to meet new and existing uranium delivery contract obligations and for working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new projects, 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.

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

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

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

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

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

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 November 2016 (**Previous Approval**).

The Company issued 19,702,934 Equity Securities pursuant to the Previous Approval.

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

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

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

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

6.4 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

7. RESOLUTION 6 - CHANGE OF CONSTITUTION

7.1 Background

Section 136 of the Corporations Act allows a Company to replace its existing Constitution by passing a special resolution approving and adopting the new Constitution.

The Company's current Constitution was originally adopted on 12 November 1993.

There have been a number of significant developments in corporate governance principles and general corporate and commercial practice since the adoption of the current Constitution. There have also been a number of changes to the Corporations Act and the Listing Rules that impact on, or are inconsistent with the provisions of the existing Constitution.

The Board proposes to adopt a new Constitution, as opposed to making significant amendments to the existing Constitution, which includes the above changes and developments, which is consistent with the current market practice of ASX listed companies and which is drafted in a modern, clear style.

The Directors recommend that the Company should adopt the new Constitution.

Many of the proposed changes are administrative or relatively minor in nature. The proposed modifications will ensure the Company's Constitution is consistent with contemporary principles of good governance and corporate and commercial practice. The changes will also facilitate the efficient operations of the Company. To assist Shareholders, a summary of the principal changes are set out below. References to Articles below are to Article numbers in the proposed new Constitution.

Voting at Meeting of Shareholders (Article 37 (i))

The proposed new Constitution provides that, in the case of an equality of votes on a resolution at a meeting of Shareholders, the Chairperson of that meeting does not have a casting vote on that resolution.

Dividend Plans (Article 66)

The proposed new Constitution provides that the Company may establish a bonus share plan on any terms as the Board resolves, rather than requiring Shareholder approval to establish.

Notice Requirements (Article 74)

The proposed new Constitution provides that the Board may specify, generally or in a particular case, requirements in relation to Notices given by any electronic means.

Existing Small Holdings (Article 76)

The proposed new Constitution provides that, subject to the applicable law, the Company may sell the Shares of a Shareholder if the total number of Shares of a particular class held by that Shareholder is less than a marketable parcel at the date specified in a notice in writing given by the Company to that Shareholder (being the lesser of 42 days after the date of the Company giving that notice or any lesser period permitted pursuant to the Applicable Law).

New Small Holdings (Article 77)

The proposed new Constitution provides that, subject to the applicable law, the Company may sell the Shares of a Shareholder if the Shares of a particular class held by that Shareholder are in a new holding created by a transfer on or after the date on which Article 77 is adopted in the Constitution, and that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.

Takeover Approval Provisions – Refusal to Register Transfers (Article 79)

The proposed new Constitution provides that, the Company must refuse to register a transfer of Shares giving effect to a takeover contract resulting from acceptance of an offer made under a proportional takeover bid in respect of a class of Shares unless and until a resolution to approve the proportional takeover bid is passed in accordance with Article 80.

Takeover Approval Provisions – Approval Procedure (Article 80)

The proposed new Constitution provides that, where offers are made under a proportional takeover bid, the Board must, subject to the Corporations Act, call and arrange to hold a meeting of persons entitled to vote on a resolution to approve the proportional takeover bid.

Definition and interpretations

The new Constitution updates the defined terms to reflect current terminology and, where possible, relies upon terms defined in the Corporations Act and the Listing Rules.

Copies of the current Constitution and the proposed new Constitution are available on the Company's website at www.pel.net.au. If shareholders would like a copy of the new Constitution mailed to them, please contact the Company Secretary, on +618 9380 9920 during business hours. The Chairman will table the proposed Constitution at the meeting.

7.2 Director's Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

8. RESOLUTION 7 AND 8 - APPROVAL FOR THE ISSUE OF UNLISTED OPTIONS TO MR WAYNE HEILI AND MR DAVID COYNE

8.1 General

In April 2017 Mr Heili was appointed as Managing Director/Chief Executive Officer and Mr Coyne was appointed as Finance Director, to add to his existing role as Chief Financial Officer. Following a recommendation from the Remuneration Committee, the Board resolved to make a one-off grant of unlisted options to Messrs Heili (as announced to ASX on 21 September 2017) and Coyne, recognising their key executive roles within the Company and, as the primary drivers of value accretion for the Company, aligning their rewards directly with growth in Company value delivered to shareholders.

The Company has agreed, subject to obtaining Shareholder approval, to issue unlisted Options (**Related Party Options**) to Mr Wayne Heili and Mr David Coyne (**Related Parties**) (or their respective nominees) on the terms and conditions set out below.

8.2 Related Party transaction

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

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

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

The Directors are Related Parties of the Company. The issue of Options to a Director requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit.

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

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Options to Messrs Heili and Coyne (or their nominee). ASX Listing Rule 10.12 Exception 7 provides an exception for securities issued on the conversion of convertible securities, if the entity complied with the Listing Rules at the time of issue of the convertible securities. Therefore, pursuant to Exception 7 in Listing Rule 10.12, the Company will not be required to obtain further Shareholder approval for the conversion of the Options.

8.3 Vesting Conditions of Related Party Options

The Related Party Options will vest in equal proportions over a 3 year period. The first vesting date is 1 July 2018, the second vesting date is 1 July 2019 and the third vesting date is 1 July 2020, as per the table below. To be eligible for options to vest on a vesting date, the Related Parties must continue to be employed by the Company.

The quantity of Related Parties to be issued is shown in the following table:

Tranche	Wayne Heili Number of Options	David Coyne Number of Options	Exercise Price	Vesting Date	Expiry Date
A	300,000	150,000	\$0.50	1 July 2018	30 November 2022
B	300,000	150,000	\$0.50	1 July 2019	30 November 2022
C	300,000	150,000	\$0.50	1 July 2020	30 November 2022

8.4 Shareholder approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Options to the Related Party:

- (a) the Related Parties are Mr Wayne Heili and Mr David Coyne and they are Related Parties by virtue of being Directors;

- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) proposed to be issued under Resolutions 7 and 8 to the Related Parties is 900,000 Options to Mr Wayne Heili and 450,000 Options to Mr David Coyne;
- (c) the exercise price of the Related Party Options is \$0.50 per share;
- (d) the expiry date of the Related Party Options will be 30 November 2022;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 2;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 3. The valuation of these Options was calculated using a binomial model;
- (g) the Related Party Options will be granted to the Related Parties for nil cash consideration and no consideration. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue of the Related Party Options;
- (h) the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is as follows:

Highest	\$0.91 on 12 January 2017
Lowest	\$0.30 on 8,9,20,21,23 June 2017 and 20 October 2017
Last	\$0.31 on 23 October 2017

- (i) the Related Parties currently have an interest in the following securities in the Company:

Participating Director	Shares	Options
Mr Wayne Heili	115,000	Nil
Mr David Coyne	172,595	14,843 ¹

¹ Listed PENOD options exercisable at \$2.00 on or before 31 December 2018.

- (j) Mr Wayne Heili currently receives remuneration of US\$306,000 per year and received remuneration of US\$115,400 in the financial year ended 30 June 2017 (Mr Heili was appointed on 3 April 2017 so received no salary or fees in the previous financial year); Mr David Coyne receives remuneration of A\$377,400 (exclusive of superannuation) (A\$370,000 in prior year excluding superannuation and bonuses);
- (k) if the Related Party Options granted to the Related Parties were exercised, a total of 900,000 Shares would be issued to Mr Wayne Heili and a total of 450,000 Shares would be issued to Mr David Coyne under Resolutions 7 and 8. This would increase the number of Shares on issue from 231,614,051 to 232,964,051 (assuming that no Options are exercised and no Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Participating Director	Issued Shares as at the date of this Notice of Meeting	Number of Related Party Options to be issued	Issued Shares upon the conversion of Related Party Options	Dilutionary effect if all Related Party Options issued are exercised
Mr Wayne Heili	115,000	900,000	1,015,000	0.39%
Mr David Coyne	172,595	450,000	622,595	0.19%
TOTAL	231,614,051	1,350,000	232,964,051	0.58%

- (l) the Related Party Options will be issued to Messrs Heili and Coyne no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (m) the Board does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed;
- (n) the Board acknowledges the issue of Related Party Options to Messrs Heili and Coyne is contrary to recommendation 8.3 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Related Party Options to Messrs Heili and Coyne is reasonable in the circumstances, given that it will assist the Company in achieving its goals by aligning the interests of Messrs Heili and Coyne with the interests of Shareholders; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Options to the Related Parties will not be included in the calculation of the Company's annual 15% placement capacity pursuant to ASX Listing Rule 7.1 or its additional 10% Placement Capacity pursuant to ASX Listing Rule 7.1A.

Director's recommendation

Mr Wayne Heili declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. Mr David Coyne declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolutions 7 and 8, recommend that Shareholders vote in favour of Resolutions 7 and 8.

In forming their recommendations, each Director considered the experience of the Director and current market practices when determining the number of Related Party Options to be issued.

9. RESOLUTION 9 AND 10 –APPROVAL FOR THE ISSUE OF RESTRICTED SHARE UNITS TO MR WAYNE HEILI AND MR DAVID COYNE UNDER THE LONG TERM INCENTIVE PLAN

9.1 General

Following an extensive review of its remuneration framework by global consultancy BDO in April and May 2015, as part of the Company's transition to a uranium mining company, the Company revised its remuneration policy and framework to bring it into line with mining company (prior to the appointment of BDO Audit (WA) Pty Ltd as auditor of the Company) and peers and also market practice.

A number of different equity incentive structures were explored, with the Board and the Board's remuneration committee taking advice from BDO and deciding that the most appropriate long term incentive component of the Company's remuneration framework should be a long term incentive plan (**LTIP**) for the issue of Restricted Share Units (**RSUs**). The Board believes the use of RSUs is more effective in linking reward with performance, while taking into account challenges and market forces to ensure individuals remain motivated.

RSUs that are granted shall vest as fully paid ordinary shares over a three year period following the date of earning, with one third vesting each year. After the date of grant, an Eligible Participant must remain employed by or contracted to the Company on each annual vesting

date to enable granted RSUs to vest. Upon an RSU vesting, an Eligible Participant shall be invited to subscribe for the equivalent number of fully paid ordinary shares. No consideration is payable by the Eligible Participant at the time of subscription of fully paid ordinary shares at the time of vesting.

The Company has established a trust for the LTIP and offers made under the LTIP utilise this trust. The terms of the trust deed allow the trust to subscribe for new Shares issued by the Company and for the trust to acquire securities on-market and transferred to the Eligible Participants to satisfy obligations on the vesting of the RSUs.

In each case, however, the Board reserves its discretion provided under the rules of the LTIP to make offers under the LTIP on such terms and conditions as it thinks fit from time to time, having regard to the circumstances of the Company and the proposed remuneration framework for its executives and employees at the time.

When issuing invitations under the LTIP, the Board will have the discretion to determine the terms and conditions of the securities granted to ensure that they are appropriate to the relevant executive or employee.

The Board's discretion will include determining:

- whether an executive, employee or consultant will be invited to participate in the LTIP;
- the number of RSUs, options or other securities (as applicable) to be granted to the executive, employee or consultant; and
- the applicable performance and/or service related conditions including the period of time over which the conditions are to be measured and satisfied.

At the discretion of the Board, any RSUs to which executives, employees or consultants become entitled pursuant to the LTIP may be by acquisition of Shares on-market and subsequent transfer or issued as new Shares.

The Company has agreed, subject to obtaining Shareholder approval, to issue RSU's to Messrs Wayne Heili and David Coyne on the terms and conditions set out below. No short or long term incentives were paid to any Key Management Personnel for the year ended 30 June 2017 and no RSUs the subject of this resolution will vest to Messrs Heili and Coyne prior to 1 July 2019.

9.2 Restricted Share Units (RSUs)

A RSU is a right to acquire one fully paid ordinary share in the Company, which will initially be held by the Trustee of the Plan. The Eligible Participant will be entitled to receive one Share for each RSU that has vested and has not lapsed or expired. Until the Eligible Participant's RSUs have vested and they have acquired Shares, an RSU will not give the Eligible Participant a legal interest in any Shares, though the Eligible Participant will be able to participate in dividends and can direct the Trustee to vote the underlying Shares in certain circumstances.

9.3 Related Party Transaction

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

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

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

Messrs Heili and Coyne are Related Parties of the Company. The issue of RSU's to Messrs Heili and Coyne requires the Company to obtain Shareholder approval because this constitutes giving a financial benefit.

Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire securities under an employee incentive scheme without the approval of holders of ordinary securities of the acquisition:

- (a) a director of the company;
- (b) an associate of a director; or
- (c) a person whose relationship with the company or a person referred to in (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

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

Listing Rule 10.12 Exception 4 provides that an issue to a Related Party is permitted without Shareholder approval if approval is obtained under Listing Rule 10.14. Accordingly, Shareholder approval is sought for the issue of the RSU's to the Messrs Heili and Coyne (or their nominee) under Resolutions 9 and 10.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.15B do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the RSU's to the Messrs Heili and Coyne.

9.4 Calculation of the Value of RSUs

On 21 August 2017, the Board resolved to grant long term incentives by to Messrs Heili and Coyne, subject to regulatory approvals, that have been calculated in accordance with the framework summarised in Section 9.1 and as set out below.

The fixed remuneration of the Mr Heili is \$US306,000 per annum (exclusive of superannuation). The annual long term incentive dollar value of RSUs to be issued to Mr Heili, subject to Shareholder approval under Resolution 9, has been set at the maximum level permitted under the current remuneration framework of up to 50% of this figure, being up to US\$153,000 per annum and vesting in equal tranches over a three year vesting period following the date of allocation, subject to Mr Heili remaining employed by the Company.

The fixed remuneration of the Mr Coyne is A\$377,400 per annum (exclusive of superannuation). The annual long term incentive dollar value of RSUs to be issued to Mr Coyne, subject to Shareholder approval under Resolution 10, has been set at the maximum level permitted under the current remuneration framework of up to 40% of this figure, being up to A\$150,960 per annum and vesting in equal tranches over a three year vesting period following the date of allocation, subject to Mr Coyne remaining employed by the Company.

Grants of RSUs each year are subject to the achievement of Board approved performance objectives. For the year ending 30 June 2018, the performance objective set by the Board is, to the satisfaction of the Board, the timely resolution of the April 2018 maturity of the Convertible Notes provided by major shareholders Resource Capital Fund VI L.P (**RCF VI**) and Pala Investments Ltd (**Pala**). Resolution may include extension of the maturity, part or full conversion, part or full repayment, replacement with debt held by a third party or other transactions that extend the maturity date and/or reduce the quantum of the debt obligation.

The quantity of RSUs to be issued will be determined by dividing the long term incentive dollar value of those RSUs by the 30 day VWAP at the time of allocation. It is noted that no RSUs will vest to Messrs Heili and Coyne prior to 1 July 2019.

Therefore Resolutions 9 and 10 are seeking approval for the issue of RSUs for the year ending 30 June 2018 (**RSU Year 1**) as follows for Messrs Heili and Coyne:

Tranche	Wayne Heili RSU \$Value (up to maximum of)	Wayne Heili RSU Quantity ¹ (up to maximum of)	David Coyne RSU \$Value (up to maximum of)	David Coyne RSU Quantity ¹ (up to maximum of)	
RSU Year 1	USD 153,000	632,362	AUD 150,960	467,948	
1 July 2018	1 July 2019	1 July 2020	1 July 2021		
Earn RSU Year 1	Vest 1/3 RSU Year 1	Vest 1/3 RSU Year 1	Vest 1/3 RSU Year 1		
	Earn RSU Year 2	Vest 1/3 RSU Year 2	Vest 1/3 RSU Year 2	Vest 1/3 RSU Year 2	
		Earn RSU Year 3	Vest 1/3 RSU Year 3	Vest 1/3 RSU Year 3	Vest 1/3 RSU Year 3

¹For the purposes of calculating the number of RSUs that may be issued to Messrs Heili and Coyne, the 30 day volume weighted average price for the period up to the date of this Notice was used, being \$0.3226. An AUD/USD exchange rate of 0.75 was used for the purposes of determining the maximum RSU quantity for Mr Heili. It is acknowledged that the actual quantity of RSUs to be issued to Messrs Heili and Coyne will be determined by dividing the long term incentive dollar value of those RSUs by the 30 day VWAP at the time of allocation. Shareholder approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of RSUs to Messrs Heili and Coyne:

- the Related Parties are Mr Wayne Heili and Mr David Coyne and they are Related Parties by virtue of being Directors;
- the RSUs (being the nature of the financial benefit) will be granted to the Related Party for nil consideration and no consideration. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue of the RSUs;
- the value of the RSUs and the pricing methodology is set out in section 9.4 of this Explanatory Statement;
- the trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is as follows:

Highest	\$0.91 on 12 January 2017
Lowest	\$0.30 on 8,9,20,21,23 June 2017 and 20 October 2017
Last	\$0.31 on 23 October 2017

- the Related Parties currently have an interest in the following securities in the Company:

Participating Director	Shares	Options
Mr Wayne Heili	115,000	Nil

Mr David Coyne	172,595	14,843 ¹
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¹ Listed PENOD options exercisable at \$2.00 on or before 31 December 2018.

- (f) Mr Wayne Heili currently receives remuneration of US\$306,000 per year and received remuneration of US\$115,400 in the financial year ended 30 June 2017 (Mr Heili was appointed on 3 April 2017 so received no salary or fees in the previous financial year); Mr David Coyne receives remuneration of A\$377,400 (exclusive of superannuation) (A\$370,000 in prior year excluding superannuation and bonuses);
- (g) if vesting milestones attached to the RSUs are met, a total of 632,362 Shares would be issued to Mr Wayne Heili and a total of 467,948 Shares would be issued to Mr David Coyne under Resolutions 9 and 10. This would increase the number of Shares on issue from 231,614,051 to 232,714,361 (assuming that no Options are exercised and no Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Participating Director	Issued Shares as at the date of this Notice of Meeting	Number of RSUs to be granted	Issued Shares upon vesting of the granted RSUs	Dilutionary effect if all RSUs issued are vested
Mr Wayne Heili	115,000	632,362	747,362	0.27%
Mr David Coyne	172,595	467,948	640,543	0.20%
TOTAL	231,614,051	1,100,310	232,714,361	0.47%

- (h) if vesting milestones attached to the RSUs and the Related Party Options are met, and the Related Party Options are exercised, a total of 1,532,362 Shares would be issued to Mr Wayne Heili and a total of 917,948 Shares would be issued to Mr David Coyne under Resolutions 7, 8, 9 and 10. This would increase the number of Shares on issue from 231,614,051 to 234,064,361 (assuming that no other Options are exercised and no Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Participating Director	Issued Shares as at the date of this Notice of Meeting	Number of RSUs to be granted	Number of Related Party Options to be issued	Issued Shares upon vesting of the granted RSUs and the conversion of Related Party Options	Dilutionary effect if all RSUs issued are vested and all Related Party Options issued are exercised
Mr Wayne Heili	115,000	632,362	900,000	1,532,362	0.65%
Mr David Coyne	172,595	467,948	450,000	917,948	0.39%
TOTAL	231,614,051	1,100,310	1,350,000	234,064,361	1.04%

- (i) the RSUs are granted upon achievement of annual performance criteria set out in section 9.4 above. Subject to Messrs Heili and Coyne remaining employed by the Company, RSUs that are granted will vest in equal tranches on 1 July in each of the three years following the date of grant. The Shares to be issued upon the vesting of the RSUs shall rank pari passu with existing Shares;
- (j) the RSUs will be issued to Messrs Heili and Coyne no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (k) the Board considers that long term incentive should form a key component of total annual remuneration of executives which can be achieved by setting a significant portion of total annual remuneration “at risk” to better align interests with those of Shareholders to encourage the production of long term sustainable growth and to assist with retention, while preserving the Company’s cash reserves;

- (l) the following Directors (and past Directors) have been issued RSUs under the LTIP:
 - (i) John Simpson – 262,500
- (m) as at the date of this Notice, the following Directors referred to in Listing Rule 14 are entitled to participate in the LTIP:
 - (i) Mr Wayne Heili and Mr David Coyne;
- (n) the number and terms and conditions of the RSUs to be issued to Messrs Heili and Coyne, were approved by the Board within the framework as summarised in 9.1 above; and
- (o) the Board believes that the grant of the RSUs is cost effective consideration to Messrs Heili and Coyne for their ongoing commitment to the Company in their respective roles as a Managing Director and Chief Executive Officer of the Company and Chief Financial Officer. Given this purpose, the Board does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the RSUs upon the terms proposed.

Director's recommendation

Mr Wayne Heili declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. Mr David Coyne declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have an interest in the outcome of Resolutions 9 and 10, recommend that Shareholders vote in favour of Resolutions 9 and 10.

In forming their recommendations, each Director considered the experience of the Director and current market practices when determining the number of Related Party Options to be issued.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 6.1.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the current board of Directors of the Company.

Business Day has the meaning set out in the Listing Rules.

Chair means the chair of the Meeting, from time to time.

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

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

Company means Peninsula Energy Limited (ABN 67 062 409 303).

Constitution means the constitution of the Company.

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

Directors means the current directors of the Company.

Eligible Entity means an entity listed on ASX that, at the time of a relevant annual general meeting:

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

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

Explanatory Statement means the explanatory statement accompanying this Notice.

Meeting or Annual General Meeting means the annual general meeting convened by this Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company.

Listing Rules means the Listing Rules of ASX.

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

Option means an option to purchase a Share.

Optionholder means the holder of an Option.

Previous Approval has the meaning given in Section 6.3(f).

Proxy Form means the proxy form attached to this Notice.

Related Party has the meaning given to it in the Listing Rules.

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

Schedule means a schedule contained in this Explanatory Statement.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a holder of a Share.

VWAP means volume weighted average price.

WST means Western Standard Time, Perth, Western Australia.

SCHEDULE 1 – ISSUE OF EQUITY SECURITIES SINCE 28 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to market price (if applicable) ²	Form of consideration/ use of funds
16 and 19 December 2016	17,000,000	Shares ¹	Various institutional and sophisticated investors	\$0.50 (12.28% discount to market price)	Cash Amount raised - \$8,500,000.
21 December 2016	1,854,338	Shares ¹	RCF Capital Fund VI L.P and Pala Investments Ltd.	No issue price (non-cash consideration)	Non-cash 30 June and 30 September 2016 Interest and Arrangement Fee Shares issued to RCF VI and Pala under the existing Convertible Note Facility, payable in shares at RCF VI and Pala's election. Current value ³ = \$574,845.
21 December 2016	50,000	Shares ¹	Employee of Company	No issue price (non-cash consideration)	Non-cash Shares issued under an existing employment contract. Current value ³ = \$15,500.
21 December 2016	65,000	Unlisted Options	Non-Executive Director	No issue price (non-cash consideration)	Non-cash Performance based remuneration for services provided to the Company.
10 January 2017	968,492	Shares ¹	RCF Capital Fund VI L.P and Pala Investments Ltd.	No issue price (non-cash consideration)	Non-cash 31 December 2016 Interest Shares issued to RCF VI and Pala under the existing Convertible Note Facility, payable in shares at RCF VI and Pala's election. Current value ³ = \$300,233.
13 March 2017	28,401,096	Shares ¹	Existing Shareholders	\$0.50 (18.03% discount to market price)	Cash Amount raised - \$14,200,548
18 April 2017	669,124	Shares ¹	RCF Capital	No issue price	Non-cash

			Fund VI L.P and Pala Investments Ltd.	(non-cash consideration)	31 March 2017 Interest Shares issued to RCF VI and Pala under the existing Convertible Note Facility, payable in shares at RCF VI and Pala's election. Current value ³ = \$207,428.
24 April 2017	8,380,000	Listed PENOD Options	RCF Capital Fund VI L.P and Pala Investments Ltd.	(non-cash consideration)	Non-cash Amendment fee options to RCF VI and Pala under the terms of the Amending Deed for the Convertible Note Facility. Current value ⁴ = \$251,400.
26 April 2017	1,867,414	Shares ¹	RCF Capital Fund VI L.P and Pala Investments Ltd.	(non-cash consideration)	Non-cash Amendment fee shares to RCF VI and Pala under the terms of the Amending Deed for the Convertible Note Facility. Current value ⁴ = \$578,898.
1 June 2017	557,493	Shares ¹	Concentrate Capital Partners Limited (CCP)	No issue price (non-cash consideration)	Non-cash Shares issued in consideration for CCP assuming full responsibility for payment to DRA Projects SA (Pty) Ltd for services provided under the PFS at the Karoo Projects, RSA Current value ³ = \$172,823.
6 July 2017	1,050,803	Shares ¹	RCF Capital Fund VI L.P	No issue price (non-cash consideration)	Non-cash 30 June 2017 Interest Shares issued to RCF VI under the existing Convertible Note Facility, payable in shares at RCF VI election. Current value ³ = \$325,749.

Notes:

1. Shares, ASX Code: PEN (terms are set out in the Constitution).
2. Market price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the market price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
3. The value is based on the closing price of the Shares (\$0.31) on the ASX on 23 October 2017.
4. The value is based on the closing price of the PENOD Options (\$0.03) on the ASX on 23 October 2017.

SCHEDULE 2 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

The Related Party Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Related Party Option gives the Optionholder the right to subscribe for one Share.
- (b) The Related Party Options will expire at 5.00pm (WST) on 30 November 2022 (**Expiry Date**). Any Related Party Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The Related Party Options will have an exercise price of \$0.50 each (**Exercise Price**).
- (d) An Optionholder may exercise their Related Party Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,

(Exercise Notice).
- (e) All Shares issued upon the exercise of Related Party Options will upon allotment rank pari passu in all respects with other Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Related Party Options.
- (f) The Company will not apply for official quotation of the Related Party Options by ASX.
- (g) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (h) There are no participating rights or entitlements inherent in the Related Party Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Related Party Options prior to the date for determining entitlements to participate in any such issue.
- (i) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (j) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Related Party Options without exercising the Options.
- (k) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Related Party Options, the Exercise Price may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (l) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (m) The Related Party Options are transferable subject to compliance with all applicable laws.

SCHEDULE 3 – RELATED PARTY OPTION VALUATION

The Related Party Options to be issued to the Related Party pursuant to Resolutions 7 and 8 have been valued independently by RSM Bird Cameron Australia using a binomial model developed by Hoadley Trading and Investment Tools and, based on the assumptions set out below, were ascribed the following value:

Assumptions:	Wayne Heili Options	David Coyne Options
Valuation date	20 September 2017	3 October 2017
Market price of Shares	\$0.36 ³	\$0.36 ³
Exercise price	\$0.50	\$0.50
Expiry date	30 November 2022	30 November 2022
Risk free interest rate	2.39% ¹	2.41% ¹
Volatility (discount)	70% ²	70% ²
Indicative value per Related Party Option (rounded)	19.12 cents	19.06 cents
Total Number of Related Party Options	900,000	450,000
Total Value of Related Party Options	\$172,080	\$85,770

Related Party	Related Party Options (Number)	Valuation per Related Party Option	Total Value of Related Party Options (\$)
Wayne Heili	900,000	\$0.1912	172,080
David Coyne	450,000	\$0.1906	85,770
Total	1,350,000		257,850

¹ Risk free interest rate based on the yield of 5 year government bonds as per the RBA using the closing rate on the day prior to the valuation date.

² Volatility was calculated and based on historical volatility over recent trading periods.

³ Market price was calculated as the closing price of the Shares on the last date the Shares traded prior to the valuation date.

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Peninsula Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (WST) on Monday, 27 November 2017**, 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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

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 shares 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 shares 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 share registry or you may copy this form and return them both together.

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 shares 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; and
- 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 shareholder 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 share registry or online at www.linkmarketservices.com.au.

**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.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Peninsula Energy 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 you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Wednesday, 29 November 2017 at BDO, Hay Room, 38 Station Street, Subiaco WA 6008 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 and 7-10: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 7-10, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval for the Issue of Restricted Share Units to Mr Wayne Heili Under the Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Harrison Barker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval for the Issue of Restricted Share Units to Mr David Coyne Under the Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Mark Wheatley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Mr David Coyne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of 10% Placement Capacity - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Change of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval for the Issue of Unlisted Options to Mr Wayne Heili	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval for the Issue of Unlisted Options to Mr David Coyne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* 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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

PEN PRX1702D

