
ATC Alloys Ltd

ACN 118 738 999

Notice of Annual General Meeting

TIME: 10:00 a.m. (AEST)

DATE: 22 August 2018

PLACE: Level 15, 1 O'Connell Street, Sydney NSW 2000 Australia

This notice 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 please do not hesitate to contact the Company Secretary on +61 2 8316 3993.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

1. Venue

The Meeting of the Shareholders of ATC Alloys Ltd (ASX:ATA) (**Company**) to which this Notice relates, will be held at 10:00 a.m. (AEST) on 22 August 2018 at Level 15, 1 O'Connell Street, Sydney NSW 2000 Australia.

2. Voting in person

To vote in person, you will be required to attend the Meeting on the date and at the place set out above.

3. Voting by proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post, to GPO Box 225, Sydney NSW 2001 Australia; or
- (b) facsimile, to the Company on facsimile number +61 2 8316 3999,

so that it is received not later than 10:00 a.m. (AEST) on 20 August 2018.

Proxy Forms received later than this time will be invalid.

NOTICE OF MEETING

Notice is given that the Meeting of Shareholders will be held at 10:00 a.m. (AEST) on 22 August 2018 at Level 15, 1 O'Connell Street, Sydney NSW 2000 Australia.

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

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 of the Company at 10:00 a.m. (AEST) on 20 August 2018.

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

AGENDA

RECEIPT OF FINANCIAL REPORTS AND REPORTS OF DIRECTORS AND AUDITOR

To receive and consider the Financial Reports of the Company for the financial year ended 30th June 2017, together with the declaration of the Directors, the Remuneration Report and the Report of the directors and the Auditor, which relate to the Financial Reports.

1. RESOLUTION 1 – ADOPTION OF DIRECTORS REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Company’s Remuneration Report, as set out in the Directors’ Report within the Annual Report for the year ended 30th June 2017, prepared in accordance with section 300A of the Corporations Act”.

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

Voting Exclusion Statement: The Company will disregard any votes cast in favour on this Resolution 1 by any person who is a member of the Key Management Personnel, details of whose remuneration is considered in the Remuneration Report, or any person who is an Associate of those persons.

However, the Company need not disregard a vote on this Resolution 1 if it is cast by:

- (c) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) the Chair 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.

2. RESOLUTION 2 – ELECTION OF IMANTS KINS AS A DIRECTOR

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

“That for the purposes of Listing Rule 14.4 and for all other purposes, Mr Imants Kins, being the non-executive Chairman who was appointed by the Board on 24 May 2018 as an additional director, and being eligible, offers himself for election, is elected as a Director”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour on this Resolution 2 by Imants Kins and any of his Associates.

However, the Company need not disregard a vote on this Resolution 2 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

3. RESOLUTION 3 – ELECTION OF SAXON BALL AS A DIRECTOR

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

“That for the purposes of Listing Rule 14.4 and for all other purposes, Mr Saxon Ball, being a non-executive Director who was appointed by the Board on 23 December 2016 as an additional director, and being eligible, offers himself for election, is elected as a Director”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour on this Resolution 3 by Saxon Ball and any of his Associates.

However, the Company need not disregard a vote on this Resolution 3 if it is cast by:

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

4. RESOLUTION 4 – ISSUE OF CONVERTIBLE NOTES TO LENDERS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to a maximum of 12 Convertible Notes, each with a face value of \$25,000, and 6 Convertible Notes with a face value of \$50,000, to the entities specified in Section 4 of the Explanatory Statement (or their nominees) in lieu of repayment and payment of loans made by those lenders to the Company, and any accrued interest or fees in relation thereto, and otherwise on the terms and conditions set out in Section 4 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour this Resolution 4 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of any of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 4 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the Chair 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.

5. RESOLUTION 5 – APPROVAL TO CONDUCT ENTITLEMENTS ISSUE

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

“That, subject to the passage of Resolutions 6 to 18, and for the purposes of the 7.11.3 Waiver and for all other purposes, approval is given for the Company to conduct an Entitlements Issue on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: In accordance with the 7.11.3 Waiver, the Company will disregard any votes cast on this Resolution 5 by any of its substantial shareholders, any underwriter, sub-underwriter, broker or manager to the Entitlements Issue and any associates of those persons.

However, the Company need not disregard a vote on this Resolution 5 if it is cast by:

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

6. RESOLUTION 6 - ISSUE OF SHARES TO PATRICK BURKE IN LIEU OF DIRECTOR'S REMUNERATION

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to a maximum of 98,250,000 Shares at a deemed issue price of \$0.001 per Share, to Patrick Burke (or his nominee) in lieu of director's remuneration on the terms and conditions set out in Section 6 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 6 by Patrick Burke, his nominee, any of his Associates and any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 6 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the Chair 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 7 – ISSUE OF SHARES TO ENRIZEN CAPITAL

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to a maximum of 250,000,000 Shares, at a deemed issue price of \$0.001 per Share, to Enrizen Capital Pty Ltd, in lieu of payment of fees payable to Enrizen Capital Pty Ltd and otherwise on the terms and conditions set out in Section 7 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 7 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any of their Associates.

However, the Company need not disregard a vote on this Resolution 7 if it is cast by:

- (c) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – ISSUE OF SHARES TO OCHRE GROUP HOLDINGS LIMITED

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

*“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to a maximum number of 2,750,000,000 Shares, at a deemed issue price of \$0.001 per Share (**Resolution 8 Shares**), to Ochre Group Holdings Limited (or its nominee) (**Ochre**) in lieu of payment of fees and otherwise on the terms and conditions set out in Section 8 of the Explanatory Statement”.*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 8 by Ochre Group Holdings Limited (and its nominee), Nathan Featherby, Saxon Ball, any of their Associates or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 8 if it is cast by:

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

9. RESOLUTION 9 – ISSUE OF SHARES TO SOMERS AND PARTNERS PTY LIMITED

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to a maximum of 1,335,405,720 Shares, at a deemed issue price of \$0.001 per Share, to Somers and Partners Pty Limited, or their nominee, in lieu of fees for services provided, and otherwise on the terms and conditions set out in Section 9 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 9 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of any of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 9 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

10. RESOLUTION 10 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – NICHOLAS HALLIDAY

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

“That subject to the passage of the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 28,000,000 Shares, to Nicholas Halliday, a former Director (or his nominee), in lieu of payment of Director’s fees, and otherwise on the terms and conditions contemplated in Section 10 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 10 by Nicholas Halliday, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 10 if it is cast by:

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

11. RESOLUTION 11 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – SAXON BALL

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

“That subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 34,000,000 Shares, to Saxon Ball, a Director (or his nominee), in lieu of payment of Director’s fees, and otherwise on the terms and conditions contemplated in Section 11 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 11 by Saxon Ball, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 11 if it is cast by:

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

12. RESOLUTION 12 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – NATHAN FEATHERBY

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

“That subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 85,000,000 Shares, to Nathan Featherby, a Director (or his nominee), in lieu of payment of Director’s fees, and otherwise on the terms and conditions contemplated in Section 12 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 12 by Nathan Featherby, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 12 if it is cast by:

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

13. RESOLUTION 13 – REDUCTION IN CONVERSION PRICE FOR CONVERTIBLE NOTES

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

“That subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction , for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the future issuance of the number of Shares described in Section 13 of the Explanatory Statement as a consequence of the amendments to the terms of the Convertible Notes issued by the Company described in the Explanatory Statement, which amendments include a reduction in the Conversion Price to A\$0.001 per share.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 13 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of any of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 13 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

14. RESOLUTION 14 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – GEORGE CHEN

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 3,000,000,000 Shares, to Guangyu (George) Chen, a proposed Director (or his nominee), as consideration for the acquisition of Chen’s ATCHK shares, and otherwise on the terms and conditions contemplated in Section 14 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 14 by Guangyu (George) Chen, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 14 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

15. RESOLUTION 15 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – JOHN CHEGWIDDEN

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 150,000,000 Shares, to John Chegwiddden, a proposed Director (or his nominee), as consideration for consultancy services provided to the Company in relation to the Acquisition, and otherwise on the terms and conditions contemplated in Section 15 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 15 by John Chegwiddden, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 15 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

16. RESOLUTION 16 – APPROVAL TO ISSUE SHARES TO UNRELATED CREDITORS

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to a maximum of 438,138,890 Shares, at an issue price of \$0.001, to unrelated creditors of the Company, in lieu of repayment of a debts owed by the Company, and otherwise on the terms and conditions contemplated in Section 16 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 16 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of any of the foregoing persons..

However, the Company need not disregard a vote on this Resolution 16 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

17. RESOLUTION 17 – APPROVAL TO ISSUE SHARES TO SIDERIAN RESOURCE CAPITAL LIMITED

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

“That, subject to the passage of Resolutions 6 to 18 and completion of the Entitlements Issue, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 800,000,000 Shares to the Company’s secured lender Siderian Resource Capital Limited on the terms and conditions contemplated in Section 17 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 17 by any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any Associate of any of the foregoing persons.

However, the Company need not disregard a vote on this Resolution 17 if it is cast by:

- (c) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) the Chair 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.

18. RESOLUTION 18 – APPROVAL TO ISSUE SHARES TO RELATED PARTY – IMANTS KINS

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

“That subject to the passage of Resolutions 6 to 17 and completion of the Entitlements Issue and the Chen Transaction, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 40,000,000 Shares, to Imants Kins, a Director (or his nominee), as a signing on bonus for his appointment to the board as Non-executive Chairman, and otherwise on the terms and conditions contemplated in Section 18 of the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 18 by Imants Kins, any of his Associates, his nominee or any person who is to receive Shares as a result of the proposed issue.

However, the Company need not disregard a vote on this Resolution 18 if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the Chair 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.

19. OTHER BUSINESS

To transact any other business that may be validly brought before the Meeting.

**DATED: 23 July 2018
BY ORDER OF THE BOARD**

**TRENT FRANKLIN
COMPANY SECRETARY
ATC ALLOYS LIMITED**

ENTITLEMENT TO VOTE

Who may vote?

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purpose of the Meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 10:00 a.m. (AEST) on 20 August 2018 (**Entitlement Time**).

All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the Meeting.

Transactions registered after that time will be disregarded in determining a shareholder's entitlement to attend and vote at the Meeting.

In addition, attention is drawn to the Voting Exclusion Statements and Voting Prohibition Statements, set out in the text of the Notice of Meeting.

PROXIES

Please note that:

- (a) a Shareholder who is entitled to attend and cast a vote at the Meeting has a right to appoint a proxy;
- (b) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (c) a Shareholder who is entitled to cast two or more votes at the Meeting may appoint two proxies and must specify the proportional number of votes each proxy is appointed to exercise;
- (d) if the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half the votes that that Shareholder would otherwise be entitled to vote;
- (e) a proxy need not be a Shareholder;
- (f) if a Shareholder wishes to appoint two proxies, it should contact the Company and request another Proxy Form; and
- (g) unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

If a Shareholder wishes to appoint a proxy, it should complete the attached Proxy Form and comply with details set out in that form for lodgement of that form with the Company.

The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either under the seal of the corporation (in accordance with its Constitution) or under the hand of an attorney duly authorised in writing or otherwise signed in accordance with the *Corporations Act*.

If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.

The Proxy Form must be received **not less than 48 hours** before the time for holding the Meeting (i.e. by no later than 10.00 a.m. (AEST) on 20 August 2018) by delivering the Proxy Form, and where relevant, with the appropriate power of attorney or other authority, to one of the addresses as follows:

Registered Office:

Level 11, 52 Phillip Street
Sydney NSW 2000, Australia

Mailing Address:

GPO Box 225
Sydney NSW 2001
Australia

Facsimile transmission to:

Within Australia: 02 8316 3999
International: +61 2 8316 3999

A Shareholder that is a corporation may appoint a representative who may attend the Meeting and vote on behalf of the corporation. Such a representative will have to produce a corporate representative appointment letter from the corporation signed either under the common seal of the corporation (in accordance with its constitution), or by a duly authorised officer or otherwise signed in accordance with the Corporations Act before he or she will be permitted to vote.

EXPLANATORY STATEMENT

This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains background information pertaining to the Resolutions to be considered and voted upon at the Meeting as well as information required to be given to Shareholders under the Listing Rules in relation to the Resolutions.

This Explanatory Statement is given to Shareholders to help them determine how to vote on the Resolutions set out in the Notice of Meeting.

Shareholders should read this Explanatory Statement in full and in conjunction with the other sections of this Document, in order to gain a more complete understanding of the Resolutions proposed in the Notice of Meeting.

If a Shareholder is in doubt about what to do in relation to a Resolution, it should consult its financial or other professional adviser.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 Background

The Annual Report for the year ended 30th June 2017 contains the Company's Remuneration Report on pages 12 to 16. The Remuneration Report sets out the Company's remuneration policies and reports the remuneration arrangements in place for the Directors of the Company. A copy of the 2017 Annual Report is available on request to the Company, free of charge.

The Corporations Act requires the agenda for the Annual General Meeting of a listed company to include a resolution for the adoption of the Remuneration Report. The Corporations Act expressly provides that the vote on the resolution is advisory only and does not bind the Directors of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions and comment on the Remuneration Report.

1.2 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 1, and whose votes will be disregarded if cast on Resolution 1, is set out in the Notice.

2. RESOLUTION 2 – ELECTION OF IMANTS KINS

2.1 Background

Mr Imants Kins was appointed to the Board of the Company as the Non-Executive Chairman on 24 May 2018. Mr Kins is an experienced chairman and non-executive director of a number of listed companies since 2005, delivering governance, leadership, global economic trends and strategy to organisations. He has a Bachelor of Economics (UWA) and a Master of Arts in Future Studies (Curtin University) and has a broad range of experience at a senior level in both government and private sectors as a senior manager, corporate economist and executive and non-executive directorships of listed companies.

He is a former directors of Tantalum Australia, ABM Resources Limited and Ochre Management, and is currently a director of Pela Global Limited and Baltics in Space. His work has also included being CEO of a private company developing a world scale greenfields petrochemical/EDC-VDC, salt, diatomaceous earth, tantalum concentrates, iron ore, base metals and gold.

2.2 Requirement for Shareholder Approval

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

Pursuant to Listing Rule 14.4, a director (other than a managing director) of an ASX listed company must not hold office (without re-election) past the third annual general meeting following their appointment, or three years, whichever is longer. Listing Rule 14.4 also provides that any Director (except a managing director) whom has been appointed throughout the year must not hold office past the next annual general meeting without re-election.

Mr Imants Kins having been appointed by the Board on 25 May 2018 and being eligible seeks re-election from Shareholders in accordance with the Constitution.

Accordingly, Shareholders are asked to consider and vote upon the election of Imants Kins as a Director of the Company.

2.3 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 2, and whose votes will be disregarded if cast on Resolution 2, is set out in the Notice.

2.4 Recommendation of Directors

Each Director, other than Imants Kins, recommends that Shareholders vote **IN FAVOUR** of Resolution 2.

Each Director, other than Imants Kins, confirms that he has no personal interest in the outcome of Resolution 2 other than in his capacity as a Shareholder or an Associate of a Shareholder.

3. RESOLUTION 3 – ELECTION OF SAXON BALL

3.1 Background

Mr Saxon Ball was appointed to the Board of the Company as a non-executive director on 23 December 2016. Saxon Ball is a current non-executive director of Ochre Group Holdings Limited and a director of STB Projects Pty Ltd, an Australian private company focused on infrastructure installation services and development within the natural resources sector. His previous experience includes a non-executive directorship of Silver Mines Limited and Raven Energy Limited.

3.2 Requirement for Shareholder Approval

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

Pursuant to Listing Rule 14.4, a director (other than a managing director) of an ASX listed company must not hold office (without re-election) past the third annual general meeting following their appointment, or three years, whichever is longer. Listing Rule 14.4 also provides that any Director (except a managing director) whom has been appointed throughout the year must not hold office past the next annual general meeting without re-election.

Mr Saxon Ball, having been appointed by the Board on 23 December 2016 and being eligible seeks, re-election from Shareholders in accordance with the Constitution.

Accordingly, Shareholders are asked to consider and vote upon the election of Saxon Ball as a Director of the Company.

3.3 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 3, and whose votes will be disregarded if cast on Resolution 3, is set out in the Notice.

3.4 Recommendation of Directors

Each Director, other than Saxon Ball, recommends that Shareholders vote **IN FAVOUR** of Resolution 3.

Each Director, other than Saxon Ball, confirms that he has no personal interest in the outcome of Resolution 3 other than in his capacity as a Shareholder or an Associate of a Shareholder.

4. RESOLUTION 4 – ISSUE OF CONVERTIBLE NOTES TO LENDERS

4.1 Background

In late 2016, the Company secured debt funding of \$720,000 (**2016 Debt Funding**) from certain lenders. In early 2018, the Company secured further debt funding totalling \$300,000 (**2018 Debt Funding**).

The lenders of the 2016 Debt Funding and the 2018 Debt Funding (together, the **Debt Funding**), are specified in the table in Section 4.3(d) below (each a **Lender**).

As part of repayment of the 2016 Debt Funding, the Company intends to repay \$420,000 of the debt by issuing 17 non-convertible notes to Lenders (each, a **Non-Convertible Note**). These Non-Convertible Notes are unsecured and will not require shareholder approval. The terms of the Non-Convertible Notes are set out in Schedule 1 Part B. The Non-Convertible Notes will be issued to Ochre Group Holdings Limited in lieu of repayment of \$420,000 in debt and will comprise:

- (a) 16 Non-Convertible Notes each with a face value of \$25,000; and
- (b) 1 Non-Convertible Note with a face value of \$20,000.

Subject to obtaining Shareholder approval and compliance with the Corporations Act and the Listing Rules, the Company intends to repay the remaining Debt Funding by issuing to the Lenders Convertible Notes, on the terms and conditions set out in Schedule 1 Part A (each a **Convertible Note**).

The Convertible Notes will, in accordance with their terms and conditions of issue, be convertible into Shares at an issue price of \$0.001 per Share. Accordingly, upon conversion of all the Convertible Notes, the Company will be required to issue a maximum of 300,000,000 Shares to the relevant Noteholders, as set out in the table in Section 4.3(d) below.

In the event that Resolution 4 is not passed, the Lenders have the right to require repayment of their loans by 1 July 2018 subject to the prior repayment of all of the Siderian Loan, and the release of all encumbrances that were given by the Company to secure the repayment of the Siderian Loan.

4.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the “15% rule”, limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing Resolution 4 will be to enable the Company to issue the Convertible Notes in compliance with Listing Rule 7.1. If so passed, any Shares issued as a result of the conversion of any Convertible Notes will not be included in the determination of the Company’s 15% annual placement capacity pursuant to Listing Rule 7.1.

For this reason, Shareholders are asked to consider and vote upon Resolution 4.

4.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Convertible Notes as contemplated by the terms of Resolution 4:

- (a) *Maximum number of securities to be issued*

The maximum number of Convertible Notes proposed to be issued under Resolution 4 is 18, and pursuant to their conversion, 600,000,000 Shares.

(b) *Last date for issuing the securities*

The Convertible Notes to be issued under Resolution 4 will, subject to Shareholder approval, be issued by no later than three months after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(c) *Issue price of securities*

The Convertible Notes will be issued in lieu of repayment of the Debt Funding as follows:

(a) 12 Convertible Notes will be issued with a face value of A\$25,000; and

(b) 6 Convertible Notes will be issued with a face value of A\$50,000.

(d) *Persons to whom securities will be issued*

The Convertible Notes will be allotted and issued to the Noteholders (or their respective nominees), each of whom is a Sophisticated Investor, as set out in the table below.

Noteholder	Amount of Debt Funding provided (A\$)	Conversion Price (A\$) per Share	Interest Rate (%)	Aggregate face value of Notes to be issued (A\$)	Number of Shares to be issued upon conversion of the Notes
<i>2016 Debt Funding</i>					
Ajava Holdings Pty Limited	100,000	\$0.01	10% per annum.	100,000	100,000,000
HSBC Custody Nominees (Australia) Limited	200,000	\$0.01	10% per annum.	200,000	200,000,000
<i>2018 Debt Funding</i>					
Sancoast Pty Ltd	50,000	The lowest price per Share at which the Company issues Shares in the course of its impending non-renounceable entitlements issue.*	10% per annum.	50,000	50,000,000
Mejority Capital Pty Ltd	50,000	The lowest price per Share at which the Company issues Shares in the course of its impending non-renounceable entitlements issue.*	10% per annum.	50,000	50,000,000
Jemaya Pty Ltd	100,000	The lowest price per Share at which the Company issues Shares in the course of its impending non-renounceable entitlements issue.*	10% per annum.	100,000	100,000,000
Paul Tibor Horsky	100,000	The lowest price per Share at which the Company issues Shares in the course of its impending non-renounceable entitlements issue.*	10% per annum.	100,000	100,000,000

**It is anticipated that the conversion price will be \$0.001 per Share in line with the Company's proposed Entitlements Issue.*

(e) *Terms of issue of securities*

The terms and conditions of the Convertible Notes are set out in Part A of Schedule 1 to this Notice. In particular:

- (i) a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in a person acquiring a relevant interest in Shares in breach of section 606 of the Corporations Act (or any equivalent provision); and
- (ii) any Shares issued on conversion of a Convertible Note will:
 - (i) be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares; and
 - (ii) upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Use of funds*

As the Convertible Notes will be issued in lieu of repayment of the Debt Funding, no additional funds will be raised. The Debt Funding is being used by the Company as general working capital.

(g) *Anticipated issue date*

Subject to the time frame referred to in paragraph 4.3(b) above, it is currently anticipated that, subject to Shareholder approval of Resolution 4, the Convertible Notes will be issued immediately after the date upon which Resolution 4 is duly approved.

4.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 4, and whose votes will be disregarded if cast on Resolution 4, is set out in the Notice.

4.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 4.

Each Director confirms that he has no personal interest in the outcome of Resolution 4 other than in his capacity as a Shareholder or an Associate of a Shareholder.

5. RESOLUTION 5 – APPROVAL TO CONDUCT ENTITLEMENTS ISSUE

5.1 Background

The Company is proposing to undertake a partially, conditionally underwritten, non-renounceable Entitlements Issue of up to 5,072,093,316 Shares at \$0.001 per share to raise approximately A\$5,072,093, on the basis of 36 shares for every one share held on the record date (**Entitlements Issue**). The Entitlements Issue is proposed to be partially underwritten by Somers and Partners Pty Ltd for up to A\$1 million (**Underwritten Amount**). The terms and conditions of such underwriting will be contained in the prospectus, expected to be lodged simultaneously with ASX and ASIC in June 2018.

Listing Rule 7.11.3 requires that the ratio for a pro-rata issue of shares, such as an entitlements issue, must not be greater than one for one, unless the offer is renounceable and the issue price is not more than the average market price for the securities over the past five days on which sales were recorded before the announcement of the pro-rata issue.

Additionally, Listing Rule 7.15 requires that where a company is required to obtain security holder approval for an issue of securities, the record date for such issue must be no earlier than five days after the date of the meeting, to allow security holders to adjust their holding in order to participate in the applicable issue of securities.

5.2 Requirement for Shareholder approval

Listing Rule 7.11.3 requires that the ratio for a pro-rata issue of shares, such as an entitlements issue, must not be greater than one for one, unless the offer is renounceable and the issue price is not more than the average market price for the securities over the past five days on which sales were recorded before the announcement of the pro-rata issue.

As the Company's securities are currently suspended, the Company is unable to undertake the Entitlements Issue on a renounceable basis and accordingly the Company sought from ASX a waiver from Listing Rule 7.11.3 to allow it to undertake the Entitlements Issue with a ratio greater than one for one (**7.11.3 Waiver**). ASX has granted the 7.11.3 Waiver, provided the Company obtains shareholder approval to conduct the Entitlements Issue.

The Company has sought an additional waiver from the ASX in respect to Listing Rule 7.15 to allow it to conduct the Entitlements Issue with a record date which is prior to the date of the Meeting (**7.15 Waiver**). ASX has granted the 7.15 Waiver on the condition that the Company's securities are not reinstated to official quotation at any time prior to the Meeting.

For this reason, Shareholders are asked to consider and vote upon Resolution 5.

5.3 Additional disclosure

The terms of the Entitlements Issue will be contained in a prospectus expected to be lodged simultaneously with ASIC and ASX in June 2018 (**Prospectus**). The Entitlements Issue is proposed to be partially, conditionally underwritten by Somers and Partners for up to A\$1 million (**Underwriter**) pursuant to an underwriting agreement to be entered into by the Company and the Underwriter, according to which the Underwriter will receive the following fees:

- (a) a management fee of 1.0% of the total amount raised by Somers in the Entitlement Issue;
- (b) an underwriting fee of 5.0% of the amount underwritten by Somers in the Entitlement Issue; and
- (c) a capital raising fee of 5.0% of the amount of shortfall placed (in excess of the amount underwritten) by Somers from the Entitlement Issue.

Somers and Partners Pty Ltd (**Somers**) are acting as the Company's corporate advisor and Lead Manager in relation to the Entitlements Issue, in addition to underwriting the issue for up to A\$1 million. In the event that the Entitlements Issue is not fully subscribed, Somers will place A\$1 million (as required) with sophisticated and professional investors, or subscribe for shortfall shares itself, and use its best endeavours to obtain subscriptions for the outstanding shortfall shares.

The Entitlements Issue is conditional upon the approval of this Resolution 5. If this Resolution 5 is not approved, the Entitlements Issue will not proceed and the Company will reimburse any subscription moneys received to such applicants. Additionally, if this Resolution 5 is not approved, the Company's proposed transaction with Mr George Chen, as set out in section 14, will not proceed and the Company's securities will likely remain in suspension until the Company determines another strategy for obtaining re-quotation.

The funds raised under the Entitlements Issue are proposed to be utilised as follows:

Item	Amount
Current operations, general working capital and administration costs	A\$872,093
Resolution of Chen Transaction & associated legal costs	A\$400,000
Chen Transaction	A\$800,000
Expenses of the Offer and associated transactions	A\$400,000
Repayment to Siderian Resource Capital Limited	A\$2,600,000
Total	A\$5,072,093

For an indication of the effect of the Entitlements Issue and the other Resolutions contained in this Notice on the capital structure of the Company, please see Schedule 2.

For the avoidance of doubt, Siderian will be paid a minimum of 50% on any funds raised under the Entitlement Issue for the purpose of repaying the Siderian Loan.

5.4 Entitlements Issue Timetable

The Entitlements Issue is intended to progress in accordance with the following indicative timetable:

Item	Time Limits	Anticipated date
Announcement of Entitlements Issue	before day 0 or prior to the commencement of trading on day 0	27 July 2018
Provision to ASX of: 1) Appendix 3B; and 2) Prospectus Option holders advised of inability to participate without first exercising options	Prior to the commencement of trading on day 0 (the day that is at least 3 +business days before the +record date)	30 July 2018
Notice sent to security holders containing the information required by Appendix 3B.	At least 2 business days before the record date	31 July 2018
Ex date	1 business day before the record date	1 August 2018
Record date	At least 3 business days after day 0	2 August 2018
Dispatch of offer documents and acceptance forms to eligible shareholders	No more than 3 business days after record date	6 August 2018
Last day to extend the offer closing date	3 business days before the offer closing date	21 August 2018
Closing date (5:00pm)	At least 7 business days after the entity announces that the offer documents have been sent to holders	24 August 2018
Securities quoted on a deferred settlement basis	The next business day after offer closes	27 August 2018
Company notifies ASX of undersubscriptions	No more than 3 business days after offer closes	28 August 2018
Issue date Deferred settlement trading ends Last day to confirm information required by Appendix 3B	Unless ASX agrees otherwise, no more than 5 business days after offer closes	31 August 2018

5.5 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 5, and whose votes will be disregarded if cast on Resolution 5, is set out in the Notice.

5.6 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 5.

Each Director confirms that he has no personal interest in the outcome of Resolution 5 other than in his capacity as a Shareholder or an Associate of a Shareholder.

6. RESOLUTION 6 – ISSUE OF SHARES TO PATRICK BURKE IN LIEU OF DIRECTOR'S REMUNERATION

6.1 Background

Mr Patrick Burke, a former Non-Executive Director of the Company, has agreed to be issued Shares in lieu of the payment of director's fees. Mr Burke was appointed to the Board of the Company on 8 September 2014 and resigned on 1 June 2018.

The Board believes that this approach is beneficial to the Company as it will assist the Company to preserve its cash reserves. Mr Burke, or his nominee, will be issued up to a maximum of 98,250,000 Shares at a deemed issue price of \$0.001 per Share, equating to the value at the time of issue, of \$98,250.

Mr Burke was entitled to payment of director's fees in the amount of \$60,000 per annum.

No funds will be raised from the proposed issue of Shares to Mr Burke, as they are to be issued in lieu of payment of his directors' fees.

The implementation of Resolution 6 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue is completed.

6.2 Requirement for Shareholder approval under Listing Rule 10.11 and 7.1

Listing Rule 10.11 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 Listing Rule 10.12 applies.

Having resigned from the Board within the past six months, Mr Burke is a Related Party of the Company.

The Directors are of the view that an exception in Listing Rule 10.12 does not apply in these circumstances.

Shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares to Mr Burke (or his nominee) provided that Shareholder approval is obtained under Listing Rule 10.11 (see Listing Rule 7.2, Exception 14). Accordingly, the issue of the Shares to Mr Burke (or his nominee) will not be included in the determination of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

6.3 Additional disclosure

In accordance with Listing Rule 10.13, the following additional information is provided in relation to the proposed issue of Shares as contemplated by the terms of Resolution 6:

(a) *Parties to whom the securities will be issued*

The Shares will be allotted and issued to Patrick Burke or his nominee.

(b) *Maximum number of securities to be issued*

98,250,000 Shares.

(c) *Date of issue*

The Shares will, subject to Shareholder approval, be issued by no later than one month after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(d) *Relationship of Related Party*

Mr Burke was a Director within the past six months, having resigned on 1 June 2018.

(e) *Issue price and terms of issue*

The Shares will be fully paid ordinary shares in the Company and issued at a deemed issue price of \$0.001 per Share.

(f) *Use of funds raised*

As the Shares will be issued in lieu of payment of remuneration for consulting services, no funds will be raised.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to Related Parties by a public company. The issue of Shares contemplated by Resolution 6 constitutes the provision of a financial benefit to a Related Party.

The Board has considered the application of Chapter 2E of the Corporations Act (Related Party provisions) and formed the view that the arm's length and reasonable remuneration exceptions provided by sections 210 and 211 of the Corporations Act are relevant and applicable in the circumstances. Accordingly, the Company has not sought the approval of the Shareholders for the proposed issue of the Shares to Mr Burke, in connection with Resolution 6, under the provisions of Part 2E.1 of the Corporations Act.

6.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 6, and whose votes will be disregarded if cast on Resolution 6, is set out in the Notice.

6.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 6.

Each Director has no personal interest in the outcome of Resolution 6 other than in his capacity as a Shareholder or an Associate of a Shareholder.

7. RESOLUTION 7 – ISSUE OF SHARES TO ENRIZEN CAPITAL PTY LTD

7.1 Background

Enrizen Capital Pty Ltd (**Enrizen**), a related party of Mr Trent Franklin, Company Secretary of the Company, has agreed to be issued Shares in lieu of the payment to it of fees for corporate advisory and consulting services that it has been providing in relation to the Entitlements Issue and the transactions with Mr Chen.

The Board believes that this approach is beneficial to the Company as it assists the Company to preserve its cash reserves and acts as an incentive for the Company's key advisors to enhance Shareholder value. Enrizen, or its nominee, will be issued up to a maximum of 250,000,000 Shares at a deemed issue price of \$0.001 per Share, equating to the value at the time of issue, of \$250,000.

The implementation of Resolution 7 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue and the Chen Transaction are completed.

7.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the "15% rule", limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing Resolution 7 will be to enable the Company to issue the Convertible Notes in compliance with Listing Rule 7.1. If so passed, the issue of Shares to Enrizen Capital (or its nominee) will not be included in the determination of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

For this reason, Shareholders are asked to consider and vote upon Resolution 7.

7.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Options as contemplated by the terms of Resolution 7:

(a) *Maximum number of securities to be issued*

The maximum number of Shares to be issued under Resolution 7 is 250,000,000.

(b) *Last date for issuing the securities*

The Shares will, subject to Shareholder approval and the completion of the Entitlements Issue, be issued by no later than three months after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(c) *Issue price of securities*

The Shares will be issued for nil cash consideration as they are being issued in lieu of payment of consulting service fees.

(d) *Persons to whom Shares will be issued*

Enrizen Capital or its nominee.

(e) *Terms of issue of securities*

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Intended use of funds*

As the Shares will be issued in lieu of payment of remuneration for consulting service fees, no funds will be raised.

(g) *Anticipated issue date*

Subject to the time frame referred to in paragraph 7.3(b) above, it is currently anticipated that, subject to Shareholder approval, the Shares will be issued immediately after the date upon which Resolution 7 is duly approved.

7.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 7, and whose votes will be disregarded if cast on Resolution 7, is set out in the Notice.

7.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 7.

Each Director confirms that he has no personal interest in the outcome of Resolution 7 other than in his capacity as a Shareholder or an Associate of a Shareholder.

8. RESOLUTION 8 - ISSUE OF SHARES TO OCHRE GROUP HOLDINGS LIMITED

8.1 Background

The Company has engaged Ochre Group Holdings Limited ACN 008 877 745 (**Ochre**) to provide certain consulting services and, in particular, to:

- (a) procure sufficient funds to enable the Company to repay the Siderian Loan;
- (b) assist the Company to undertake and ensure subscription of funds under the Entitlements Issue; and
- (c) engage and co-ordinate on behalf of the Company the financiers, investors and professional advisers appropriate to ensure that, subject to obtaining the necessary approvals, resolution of the Chen dispute and the Entitlements Issue will be completed on terms and conditions acceptable to the Company,

(collectively **Ochre Consulting Services**).

Ochre has agreed that in consideration for its provision of the Ochre Consulting Services:

- the Company will issue to Ochre, or its nominee, up to a maximum of 2,750,000,000 Shares (**Resolution 8 Shares**) at a deemed issue price of \$0.001 per Share, such that Ochre will hold 12.5% of the issued capital in the Company following the issue of all shares proposed to be approved at the Meeting; and
- the issue of the Resolution 8 Shares to Ochre will be the complete and sole consideration for the provision of the Ochre Consulting Services by Ochre.

Mr Nathan Featherby and Mr Saxon Ball are both directors of the Company and of Ochre. In accordance with paragraph (k) of the definition of 'related entity' in section 9 of the Corporations Act, Ochre is a related entity of the Company due to having common directors with the Company.

The implementation of Resolution 8 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue and the Chen Transaction are completed.

8.2 Requirement for Shareholder approval under Listing Rule 10.11

Listing Rule 10.11 requires an ASX listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party, except if an exception to Listing Rule 10.11 is applicable.

The issue of Share to Ochre in lieu of payment of fees does not fall within any exception to Listing Rule 10.11. As such, Resolution 8 seeks Shareholder approval under Listing Rule 10.11 for the proposed issue of Shares to Ochre in lieu of payment of outstanding fees.

Listing Rule 7.1 approval is not required for the issue of Shares to Ochre as approval is being obtained under Listing Rule 10.11. Accordingly, and pursuant to Exception 14 to Listing Rule 7.1, the issue of Shares to Ochre will not reduce the Company's available placement capacity under Listing Rule 7.1 if Shareholder approval is obtained for Resolution 8.

For this reason, Shareholders are asked to consider and vote upon Resolution 8.

8.3 Additional disclosure

In accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Shares as contemplated by the terms of Resolution 8:

(a) *Name*

The Shares the subject of Resolution 8 will be issued pursuant to Ochre Group Holdings Limited (a related party due to having common directors with the Company) or its nominee.

(b) *Maximum number of securities to be issued*

The maximum number of Shares to be issued under Resolution 8 is the number which is equal to 12.5% of the issued capital in the Company following the Meeting, taking into account the 312,781 Shares which are already held by a subsidiary of Ochre. The Company has **estimated** that, assuming all resolutions are passed at the Meeting and the Company raises the total desired amount under the Entitlements Issue, it will issue a maximum of 2,750,000,000 Shares to Ochre.

(c) *Last date for issuing the securities*

The Shares to be issued under Resolution 8 will, subject to Shareholder approval, be issued by no later than one month after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(d) *Issue price of securities*

The Shares will be issued for a deemed issue price of \$0.001 per Share, in lieu of payment of consideration for the Consulting Services and as a success fee for the completion of the Entitlements Issue and the Company achieving re-quotations.

(e) *Terms of issue of securities*

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Use of funds*

As the Shares will be issued in lieu of payment of consideration for the Consulting Services, no funds will be raised.

8.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 8, and whose votes will be disregarded if cast on Resolution 8, is set out in the Notice.

8.5 Recommendation of Directors

Each Director (except for Mr Nathan Featherby and Mr Saxon Ball who have an interest in the outcome of Resolution 8) recommends that Shareholders vote **IN FAVOUR** of Resolution 8.

Each Director (except for Mr Nathan Featherby and Mr Saxon Ball) confirms that he has no personal interest in the outcome of Resolution 8 other than in his capacity as a Shareholder or an Associate of a Shareholder.

9. RESOLUTION 9 – ISSUE OF SHARES TO SOMERS AND PARTNERS PTY LIMITED

9.1 Background

The Company has engaged Somers and Partners Pty Limited (**Somers**), a substantial holder of the Company's Shares, to provide corporate advisory, lead management and underwriting services to the Company, and to assist with negotiating with convertible noteholders in relation to outstanding convertible notes.

Somers has agreed to be issued Shares in partial payment of their fees for the abovementioned services. Somers has also been engaged as underwriter to the Entitlements Offer.

The Shares are proposed to be issued to Somers (or its nominees) in consideration for their provision of professional services to the Company, to retain the provision of their future services and to provide cost effective remuneration for the ongoing commitment and contribution of Somers to the Company.

The implementation of Resolution 9 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue and the Chen Transaction are completed.

9.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the “15% rule”, limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing Resolution 9 will be to enable the Company to issue the Shares in compliance with Listing Rule 7.1.

For this reason, Shareholders are asked to consider and vote upon Resolution 9.

9.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Shares as contemplated by the terms of Resolution 9:

(g) Maximum number of securities to be issued

The maximum number of Shares to be issued under Resolution 9 is the number which is equal to 7.5% of the issued capital in the Company following the Meeting, taking into account the 26,441,813 Shares which are already held by Somers. The Company has estimated that, assuming all resolutions are passed at the Meeting and the Company raises the total desired amount under the Entitlements Issue, it will issue a maximum of 1,335,405,720 Shares to Somers.

(h) Last date for issuing the securities

The Shares will, subject to Shareholder approval, be issued by no later than three months after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(i) Issue price of securities

The Shares will be issued for a deemed issue price of \$0.001 per Share in lieu of payment of consideration for professional and corporate advisory services provided by Somers to the Company.

(j) Persons to whom Shares will be issued

The Shares will be allotted and issued to Somers or its nominees. Somers is, as at the date of this Notice, the largest shareholder in the Company, holding approximately 18.77% of the issued share capital. Accordingly the issue of Shares the subject of Resolution 9 is conditional on the completion of the Entitlements Issue and approval of Resolutions 6 to 18 of this Notice, to ensure that no person obtains more than 20% of the voting power in the Company as a result of such issue.

(k) Terms of issue of securities

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Use of funds*

As the Shares will be issued in lieu of consideration for professional corporate advisory services provided, no funds will be raised.

(g) *Anticipated issue date*

Subject to the time frame referred to in paragraph 9.3(b) above, it is currently anticipated that, the Shares will be issued immediately after the date upon which Resolution 9 is duly approved.

9.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 9, and whose votes will be disregarded if cast on Resolution 9, is set out in the Notice.

9.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 9.

Each Director confirms that he has no personal interest in the outcome of Resolution 9 other than in his capacity as a Shareholder or an Associate of a Shareholder.

10. RESOLUTION 10 – ISSUE OF SHARES TO NICHOLAS HALLIDAY

10.1 Background

Mr Nicholas Halliday was appointed to the Board of the Company on 10 March 2017 as a non-executive Director and resigned on 24 May 2018. Mr Halliday was entitled to be paid fees of A\$2,000 per month (plus GST) for the services provided during his term as a Director. Mr Halliday has agreed to be issued Shares in payment of his directors' fees to allow the Company to preserve its cash resources.

The total amount of director fees owing to Mr Halliday is \$28,000.00. These fees will be settled by the issue of Shares, the subject of this Resolution 10.

The implementation of Resolution 10 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue is completed.

10.2 Requirement for Shareholder Approval

Listing Rule 10.11 requires that unless an exception applies an entity must not without the approval of its shareholders, issue or agree to issue Equity Securities to:

- (a) a Related Party of the entity; or
- (b) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of Shareholders should be obtained.

Mr Halliday is a Related Party of the Company by virtue of being a Director within the previous six months, having resigned from his position on the Board on 24 May 2018.

Section 208 of the Corporations Act requires that a company obtain shareholder approval where a financial benefit is proposed to be given to a Related Party of that company. However, section 11 of the Corporations Act provides that shareholder approval is not required where a financial benefit constitutes "reasonable remuneration" for the purposes of section 211(1). The Directors have resolved that the issue of Shares to Mr Halliday in accordance with this Resolution 10 is 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

10.3 Information required by Listing Rule 10.13

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 10 is provided:

(a) *Parties to whom the securities will be issued*

Mr Nicholas Halliday or his nominee.

(b) *Maximum number of securities to be issued*

28,000,000 Shares.

(c) *Date of issue*

The Company will issue the Shares to Mr Halliday or his nominee within one month of the date of the Meeting.

(d) *Relationship of Related Party*

Mr Halliday was a Director within the past six months, having resigned on 24 May 2018.

(e) *Issue price and terms of issue*

The Shares will be fully paid ordinary shares in the Company and issued at a deemed issue price of \$0.001.

(f) *Use of funds raised*

There will be no cash funds raised from the issue of Shares pursuant to this Resolution 10.

10.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 10, and whose votes will be disregarded if cast on Resolution 10, is set out in the Notice.

10.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 10.

Each Director confirms that he has no personal interest in the outcome of Resolution 10 other than in his capacity as a Shareholder or an Associate of a Shareholder.

11. RESOLUTION 11 – ISSUE OF SHARES TO SAXON BALL

11.1 Background

Mr Saxon Ball was appointed to the Board of the Company on 23 December 2016 as a non-executive Director. Mr Ball is paid fees of A\$2,000 per month (plus GST) for these services. Mr Ball has agreed to be issued Shares in payment of his directors' fees to allow the Company to preserve its cash resources. Any further accrued directors' fees above this amount will be paid to Mr Ball in cash.

As at the date of the Notice the total amount of director fees owing to Mr Ball is \$34,000.000. These fees will be settled by the issue of Shares, the subject of this Resolution 11.

The implementation of Resolution 11 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue is completed.

11.2 Requirement for Shareholder Approval

Listing Rule 10.11 requires that unless an exception applies an entity must not without the approval of its shareholders, issue or agree to issue Equity Securities to:

- (a) a Related Party of the entity; or

- (b) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of Shareholders should be obtained.

Mr Ball is a Related Party of the Company by virtue of being a Director.

Section 208 of the Corporations Act requires that a company obtain shareholder approval where a financial benefit is proposed to be given to a Related Party of that company. However, section 11 of the Corporations Act provides that shareholder approval is not required where a financial benefit constitutes "reasonable remuneration" for the purposes of section 211(1). The Directors have resolved that the issue of Shares to Mr Ball in accordance with this Resolution 11 is 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

11.3 Information required by Listing Rule 10.13

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 11 is provided:

- (a) *Parties to whom the securities will be issued*

Mr Saxon Ball or his nominee.

- (b) *Maximum number of securities to be issued*

34,000,000 Shares.

- (c) *Date of issue*

The Company will issue the Shares to Mr Ball or his nominee within one month of the date of the Meeting.

- (d) *Relationship of Related Party*

Mr Ball is a Director.

- (e) *Issue price and terms of issue*

The Shares will be fully paid ordinary shares in the Company and issued at a deemed issue price of \$0.001.

- (f) *Use of funds raised*

There will be no cash funds raised from the issue of Shares pursuant to this Resolution 11.

11.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 11, and whose votes will be disregarded if cast on Resolution 11, is set out in the Notice.

11.5 Recommendation of Directors

Each Director, other than Saxon Ball, recommends that Shareholders vote **IN FAVOUR** of Resolution 11.

Each Director, other than Saxon Ball, confirms that he has no personal interest in the outcome of Resolution 11 other than in his capacity as a Shareholder or an Associate of a Shareholder.

12. RESOLUTION 12 – ISSUE OF SHARES TO NATHAN FEATHERBY

12.1 Background

Mr Nathan Featherby was appointed to the Board of the Company on 18 November 2016 as a non-executive Director. Mr Featherby is paid fees of A\$5,000 per month (plus GST) for these services. Mr Featherby has agreed to be issued Shares in payment of his directors' fees to allow the Company to preserve its cash resources. Any further accrued directors' fees above this amount will be paid to Mr Featherby in cash.

As at the date of the Notice the total amount of director fees owing to Mr Featherby is A\$85,000.00. These fees will be settled by the issue of Shares the subject of this Resolution 12.

The implementation of Resolution 12 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue is completed.

12.2 Requirement for Shareholder Approval

Listing Rule 10.11 requires that unless an exception applies an entity must not without the approval of its shareholders, issue or agree to issue Equity Securities to:

- (a) a Related Party of the entity; or
- (b) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of Shareholders should be obtained.

Mr Featherby is a Related Party of the Company by virtue of being a Director.

Section 208 of the Corporations Act requires that a company obtain shareholder approval where a financial benefit is proposed to be given to a Related Party of that company. However, section 11 of the Corporations Act provides that shareholder approval is not required where a financial benefit constitutes "reasonable remuneration" for the purposes of section 211(1). The Directors have resolved that the issue of Shares to Mr Featherby in accordance with this Resolution 12 is 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

12.3 Information required by Listing Rule 10.13

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 12 is provided:

- (a) *Parties to whom the securities will be issued*

Mr Nathan Featherby or his nominee.

- (b) *Maximum number of securities to be issued*

85,000,000 Shares.

- (c) *Date of issue*

The Company will issue the Shares to Mr Featherby or his nominee within one month of the date of the Meeting.

- (d) *Relationship of Related Party*

Mr Featherby is a Director.

- (e) *Issue price and terms of issue*

The Shares will be fully paid ordinary shares in the Company and issued at a deemed issue price of \$0.001.

- (f) *Use of funds raised*

There will be no cash funds raised from the issue of Shares pursuant to this Resolution 12.

12.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 12, and whose votes will be disregarded if cast on Resolution 12, is set out in the Notice.

12.5 Recommendation of Directors

Each Director, other than Nathan Featherby, recommends that Shareholders vote **IN FAVOUR** of Resolution 12.

Each Director, other than Nathan Featherby, confirms that he has no personal interest in the outcome of Resolution 12 other than in his capacity as a Shareholder or an Associate of a Shareholder.

13. RESOLUTION 13 – REDUCTION IN CONVERSION PRICE FOR CONVERTIBLE NOTES

13.1 Background

Since 2015, the Company has issued 129 convertible notes (including 18 convertible notes which are subject to approval under this Notice) to Sophisticated Investors raising a total of A\$4,850,000 for the Company (**Notes**). The Notes are repayable by the Company on or before 1 July 2018. The Notes are subordinated to the Company's debt to Siderian and accordingly, may not be repaid by the Company until it has repaid its debt to Siderian.

In light of the Company's ongoing suspension and the offer price of the Company's proposed entitlements issue, the Company has proposed to reduce the conversion price of all Notes to \$0.001 per share, being the same price as the Company's Entitlements Issue offering. The reduction in conversion price is intended to be an incentive for Convertible Note holders (**Noteholders**) to convert their Convertible Notes into shares, allowing the Company to retain its cash resources. The Company considers it unlikely that the Noteholders would convert their shares on the basis of the original conversion prices of the Convertible Notes.

The implementation of Resolution 13 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue and the Chen Transaction are completed.

The change in conversion prices is set out below:

Face values	Number on issue	Original Conversion Price	Maximum number of shares which may have been issued	New Conversion Price per share	Maximum number of shares which may be issued (if Resolution 15 approved)
\$50,000	35	\$0.25	200,000	\$0.001	1,750,000,000
\$25,000	2	\$0.25	100,000	\$0.001	50,000,000
\$50,000	23	\$0.05	1,000,000	\$0.001	1,150,000,000
\$20,000	6	\$0.05	400,000	\$0.001	120,000,000
\$10,000	2	\$0.05	200,000	\$0.001	20,000,000
\$25,000	12	\$0.05 or the lowest issue price of any shares prior to the maturity date	25,000,000	\$0.001	300,000,000
\$25,000	10	\$0.05 or the lowest issue price of any shares prior to the maturity date or the price implied by corporate action.	25,000,000	\$0.001	250,000,000
\$50,000	1	\$0.05 or the lowest issue price of any shares prior to the maturity date or the price implied by corporate action.	50,000,000	\$0.001	50,000,000
\$25,000	1	\$0.01	2,500,000	\$0.001	25,000,000
\$30,000	1	\$0.01	3,000,000	\$0.001	30,000,000
\$85,000	1	\$0.01	8,500,000	\$0.001	85,000,000
\$25,000	12	\$0.01	30,000,000	\$0.001	300,000,000
\$50,000	6	\$0.001	300,000,000	\$0.001	300,000,000
Total			445,900,000	Total	4,430,000,000

13.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the “15% rule”, limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

Whilst the issue of the Convertible Notes was approved by Shareholders, the Company is now proposing to amend the terms of the Convertible Notes by reducing their Conversion Price. Such amendment would result in the issue of a materially higher number of Shares upon conversion of the Convertible Notes and accordingly, the Company is seeking Shareholder approval.

For this reason, Shareholders are asked to consider and vote upon Resolution 13.

13.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed amendment of the Convertible Notes terms as contemplated by the terms of Resolution 13:

(a) *Maximum number of securities to be issued*

If Resolution 13 is approved, and the amendments to the terms of the Convertible Notes proceeds, the maximum number of Shares which may be issued on their conversion will be 4,430,000,000 plus any shares issued in lieu of payment of interest on the Convertible Notes.

(b) *Last date for issuing the securities*

The Noteholders are entitled to convert the Convertible Notes at any time up until the Maturity Date of 1 July 2018. Any shares issued upon the conversion of these Convertible Notes will fall under Exception 4 of Listing Rule 7.2.

(c) *Issue price of securities*

If Resolution 13 is approved, and the amendments to the terms of the Convertible Notes proceeds, the Shares will be issued for a deemed issue price of \$0.001 per Share.

(d) *Persons to whom Shares will be issued*

The Convertible Notes are held by a number of parties, including:

- (i) unrelated Sophisticated Investors;
- (ii) Ochre Capital Management Pty Limited, an entity which is associated with Nathan Featherby and Saxon Ball;
- (iii) Somers and Partners Pty Ltd, a substantial holder of shares in the Company;
- (iv) HSBC Custody Nominees (Australia) Limited, a substantial holder of shares in the Company; and
- (v) Jemaya Pty Ltd, a substantial holder of shares in the Company.

(e) *Terms of issue of securities*

The terms of the Convertible Notes were originally disclosed in the Notices of Meeting in which they were approved. The existing terms of the Convertible Notes, as amended, are set out in Annexure A.

(f) *Use of funds*

There will be no additional funds raised from the reduction in conversion price of the Convertible Notes.

(h) *Anticipated issue date*

The majority of the Convertible Noteholders have indicated to the Company that they will convert their Convertible Notes after the date of issue of the Entitlements Issue shares. These Shares will be issued progressively as Convertible Noteholders elect to convert their Convertible Notes.

13.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 13, and whose votes will be disregarded if cast on Resolution 13, is set out in the Notice.

13.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 13.

Each Director confirms that he has no personal interest in the outcome of Resolution 13 other than in his capacity as a Shareholder or an Associate of a Shareholder.

14. RESOLUTION 14 – ISSUE OF SHARES TO GEORGE CHEN

14.1 Background

As recently announced to the market, the Company has entered a share sale agreement pursuant to which it has agreed to purchase all of the shares held by its joint venture partner, Mr Guangyu (George) Chen, in Asia Tungsten Products Co Limited (**ATCHK**), resulting in the Company owning 100% of the ferro-tungsten production plant owned by ATCHK and its Vietnamese subsidiary (**Chen Transaction**). Mr Chen is a related party of the Company due to being a proposed director of the Company.

Mr Chen, or his nominee, will upon completion of the Chen Transaction be issued up to a maximum of 3,000,000,000 Shares at an issue price of \$0.001 per Share, equating to the value at the time of issue, of \$3,000,000.

No funds will be raised from the proposed issue of Shares to Mr Chen, as they are to be issued in consideration of the acquisition of Chen's shares in ATCHK.

The implementation of Resolution 14 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue and the Chen Transaction are completed.

14.2 Requirement for Shareholder approval under Listing Rule 10.11 and 7.1

Listing Rule 10.11 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 Listing Rule 10.12 applies.

As a proposed Director, Mr Chen is a Related Party of the Company.

The Directors are of the view that an exception in Listing Rule 10.12 does not apply in these circumstances.

Shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares to Mr Chen (or his nominee) provided that Shareholder approval is obtained under Listing Rule 10.11 (see Listing Rule 7.2, Exception 14). Accordingly, the issue of the Shares to Mr Chen (or his nominee) will not be included in the determination of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

14.3 Additional disclosure

In accordance with Listing Rule 10.13, the following additional information is provided in relation to the proposed issue of Shares as contemplated by the terms of Resolution 14:

(a) *Name of the Related Party*

The Shares will be allotted and issued to Guangyu (George) Chen or his nominee.

(b) *Maximum number of securities to be issued*

The maximum number of Shares to be issued under Resolution 14 is 3,000,000,000.

(c) *Last date for issuing the securities*

The Shares will, subject to Shareholder approval, be issued by no later than one month after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(d) *Issue price of securities*

The Shares will be issued for a deemed issue price of \$0.001 per Share.

(e) *Terms of issue of securities*

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Intended use of funds*

As the Shares will be issued as consideration for the acquisition of Chen's ATCHK shares, no funds will be raised.

14.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to Related Parties by a public company. The issue of Shares contemplated by Resolution 14 constitutes the provision of a financial benefit to a Related Party.

The Board has considered the application of Chapter 2E of the Corporations Act (Related Party provisions) and formed the view that the arm's length and reasonable remuneration exceptions provided by sections 210 and 211 of the Corporations Act are relevant and applicable in the circumstances. Accordingly, the Company has not sought the approval of the Shareholders for the proposed issue of the Shares to Mr Chen, in connection with Resolution 14, under the provisions of Part 2E.1 of the Corporations Act.

14.5 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 14, and whose votes will be disregarded if cast on Resolution 14, is set out in the Notice.

14.6 Recommendation of Directors

Each Director, other than Mr George Chen, who has a personal interest in the outcome of the resolution recommends that Shareholders vote **IN FAVOUR** of Resolution 14.

Each Director, other than Mr George Chen, confirms that he has no personal interest in the outcome of Resolution 14 other than in his capacity as a Shareholder or an Associate of a Shareholder.

15. RESOLUTION 15 – ISSUE OF SHARES TO JOHN CHEGWIDDEN

15.1 Background

Mr John Chegwidan, a proposed Director of the Company, has agreed to be issued Shares in lieu of payment for consideration for consultancy services provided to the Company in regards to the Chen Transaction.

Mr Chegwidden, or his nominee, will be issued up to a maximum of 150,000,000 Shares at a deemed issue price of \$0.001 per Share, equating to a value at the time of issue, of \$150,000.

No funds will be raised from the proposed issue of Shares to Mr Chegwidden, as they are to be issued in lieu of payment of his consultancy services.

The implementation of Resolution 15 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue and the Chen Transaction are completed.

15.2 Requirement for Shareholder approval under Listing Rule 10.11 and 7.1

Listing Rule 10.11 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 Listing Rule 10.12 applies.

As a proposed Director, Mr Chegwidden is a Related Party of the Company.

The Directors are of the view that an exception in Listing Rule 10.12 does not apply in these circumstances.

Shareholder approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares to Mr Chegwidden (or his nominee) provided that Shareholder approval is obtained under Listing Rule 10.11 (see Listing Rule 7.2, Exception 14). Accordingly, the issue of the Shares to Mr Chegwidden (or his nominee) will not be included in the determination of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

15.3 Additional disclosure

In accordance with Listing Rule 10.13, the following additional information is provided in relation to the proposed issue of Shares as contemplated by the terms of Resolution 15:

(a) Name of the Related Party

The Shares will be allotted and issued to John Chegwidden or his nominee.

(b) Maximum number of securities to be issued

The maximum number of Shares to be issued under Resolution 15 is 150,000,000.

(c) date for issuing the securities

The Shares will, subject to Shareholder approval, be issued by no later than one month after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(d) Issue price of securities

The Shares will be issued for a deemed issue price of \$0.001 per Share in lieu of payment of remuneration for the provision of consulting services with respect to the Transaction and the Entitlements Issue, in the total amount of \$150,000.

(e) Terms of issue of securities

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) Intended use of funds

As the Shares will be issued in lieu of payment of remuneration for consulting services, no funds will be raised.

15.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to Related Parties by a public company. The issue of Shares contemplated by Resolution 15 constitutes the provision of a financial benefit to a Related Party.

The Board has considered the application of Chapter 2E of the Corporations Act (Related Party provisions) and formed the view that the arm's length and reasonable remuneration exceptions provided by sections 210 and 211 of the Corporations Act are relevant and applicable in the circumstances. Accordingly, the Company has not sought the approval of the Shareholders for the proposed issue of the Shares to Mr Chegwiddden, in connection with Resolution 15, under the provisions of Part 2E.1 of the Corporations Act.

15.5 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 15, and whose votes will be disregarded if cast on Resolution 15, is set out in the Notice.

15.6 Recommendation of Directors

Each Director, other than Mr John Chegwiddden, who has a personal interest in the outcome of the resolution recommends that Shareholders vote **IN FAVOUR** of Resolution 15.

Each Director, other than Mr John Chegwiddden, confirms that he has no personal interest in the outcome of Resolution 15 other than in his capacity as a Shareholder or an Associate of a Shareholder.

16. RESOLUTION 16 – ISSUE OF SHARES TO UNRELATED CREDITORS

16.1 Background

As announced on 31 July 2016 and 15 August 2016, the Company obtained unsecured loans from Almonty Industries Inc (**Almonty**) totalling A\$400,000, subject to an interest rate of 5% (**Almonty Loan**). The Company and Almonty have agreed that in lieu of repayment of the loan and outstanding interest, Almonty will accept fully paid ordinary shares, to be issued at the same price as the Entitlements Issue. The Shares are proposed to be issued as a cost effective manner of contributing to the reduction of the Company's debts.

The implementation of Resolution 16 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue and the Chen Transaction are completed.

16.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the "15% rule", limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing Resolution 16 will be to enable the Company to issue the Shares to Almonty in compliance with Listing Rule 7.1.

For this reason, Shareholders are asked to consider and vote upon Resolution 16.

16.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Shares as contemplated by the terms of Resolution 16:

(a) *Maximum number of securities to be issued*

The maximum number of Shares to be issued under Resolution 16 is 438,138,890.

(b) *Last date for issuing the securities*

The Shares will, subject to Shareholder approval, be issued by no later than three months after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

(c) *Issue price of securities*

The Shares will be issued for a deemed issue price of \$0.001 per Share in lieu of repayment of the Almonty Loan and attaching interest.

(d) *Persons to whom Shares will be issued*

The Shares will be allotted and issued to Almonty Industries Inc, which is not a related party of the Company.

(e) *Terms of issue of securities*

The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares. The Shares will, upon issue, rank equally with all other Shares on issue and otherwise be subject to the provisions of the Constitution.

(f) *Use of funds*

As the Shares will be issued in lieu of repayment of the Almonty Loan and attaching interest, no funds will be raised from the issue of shares.

(i) *Anticipated issue date*

Subject to the time frame referred to in paragraph 16.3(b) above, it is currently anticipated that, subject to Shareholder approval of Resolution 16, the Shares will be issued on the day after the Meeting.

16.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 16, and whose votes will be disregarded if cast on Resolution 16, is set out in the Notice.

16.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 16.

Each Director confirms that he has no personal interest in the outcome of Resolution 16 other than in his capacity as a Shareholder or an Associate of a Shareholder.

17. RESOLUTION 17 – ISSUE OF SHARES TO SIDERIAN RESOURCE CAPITAL LIMITED

17.1 Background

On 17 October, 2016, the Company advised the market that it had received notice from its secured lender, Siderian Resource Capital Limited (**Siderian**), notifying the Company that previous forbearance arrangements had ended and the monies owing to were payable by 21 October 2016. Since that date, the Company has continued discussions with Siderian with respect to ongoing forbearance and repayment of the Siderian Loan. Whilst there are no formal forbearance arrangements currently in place with Siderian, the Siderian Loan is not immediately due and payable.

As at 18 April 2018, the balance of the Siderian Loan was US\$1,938,309. The Company intends to repay the majority of this amount from the proceeds of the Entitlements Issue. Siderian and the Company have agreed that the Company will pay to Siderian a minimum of A\$1.5 million from the proceeds of the Entitlements Issue (**Siderian Payment**).

Siderian and the Company have agreed that in the event that no more than A\$3.0 million is raised from the Entitlements Issue, Siderian will be issued US\$300,000 in Shares as a facilitation fee for the repayment of the Loan (**Facilitation Fee**), on the following conditions:

- (a) the Company's securities are re-instated to Official Quotation; and
- (b) there is no restriction on what Siderian may do with the Shares issued to it.

Siderian and the Company have agreed that in the event that A\$5.0 million is raised from the Entitlements Issue, Siderian will be issued in Shares in reduction of the Siderian Loan to the value of US\$300,000 on the following conditions:

- (a) the Company's securities are re-instated to Official Quotation;
- (b) there is no restriction on what Siderian may do with the Shares issued to it; and
- (c) the Company pays Siderian the Facilitation Fee.

The implementation of Resolution 17 is conditional on and will only occur if Resolutions 6 to 18 are passed, and the Entitlements Issue and the Chen Transaction are completed.

17.2 Requirement for Shareholder approval under Listing Rule 7.1

Listing Rule 7.1, known as the "15% rule", limits the capacity of an ASX-listed company to issue Equity Securities without the approval of its shareholders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing Resolution 17 will be to enable the Company to issue Shares to Siderian in compliance with Listing Rule 7.1.

For this reason, Shareholders are asked to consider and vote upon Resolution 17.

17.3 Additional disclosure

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Shares as contemplated by the terms of Resolution 17:

- (a) *Maximum number of securities to be issued*

The Company will issue up to 800,000,000 Shares to Siderian (**Siderian Shares**), using a pre-agreed exchange rate of US\$0.75 to A\$1.

- (b) *Last date for issuing the securities*

The Siderian Shares will, subject to Shareholder approval, be issued by no later than three months after the date of the Meeting (or before such later date as permitted by any waiver or modification of the Listing Rules granted by ASX).

- (c) *Issue price of securities*

The Siderian Shares will be issued at A\$0.001 each.

(d) *Persons to whom Shares will be issued*

The Siderian Shares will be issued to Siderian or its nominee.

(e) *Terms of issue of securities*

The Siderian Shares will be fully paid ordinary shares in the capital of the Company.

(f) *Use of funds*

The issue to Siderian will not raise any funds, rather will be used to reduce the Company's debt to Siderian by US\$300,000 and to satisfy a facilitation fee of US\$300,000 to Siderian.

(j) *Anticipated issue date*

Subject to the time frame referred to in paragraph 17.3(b) above, it is currently anticipated that, subject to Shareholder approval of Resolution 17, the Siderian Shares will be issued on the day after the Meeting.

17.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 17, and whose votes will be disregarded if cast on Resolution 17, is set out in the Notice.

17.5 Recommendation of Directors

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 17.

Each Director confirms that he has no personal interest in the outcome of Resolution 17 other than in his capacity as a Shareholder or an Associate of a Shareholder.

18. RESOLUTION 18 – ISSUE OF SHARES TO IMANTS KINS

18.1 Background

Mr Imants Kins was appointed to the Board of the Company on 24 May 2018 as non-executive Chairman. As part of the recent appointment of Mr Kins, the Company proposes to issue Mr Kins Shares as a signing on bonus.

The signing on bonus is for an amount of \$40,000, and will be issued as ordinary shares in the Company at an issue price of \$0.001.

The implementation of Resolution 18 is conditional on and will only occur if Resolutions 6 to 17 are passed, and the Entitlements Issue is completed.

18.2 Requirement for Shareholder Approval

Listing Rule 10.11 requires that unless an exception applies an entity must not without the approval of its shareholders, issue or agree to issue Equity Securities to:

- (a) a Related Party of the entity; or
- (b) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of Shareholders should be obtained.

Mr Kins is a Related Party of the Company by virtue of being a Director.

Section 208 of the Corporations Act requires that a company obtain shareholder approval where a financial benefit is proposed to be given to a Related Party of that company. However, section 11 of the Corporations Act provides that shareholder approval is not required where a financial benefit constitutes “reasonable remuneration” for the purposes of section 211(1). The Directors have resolved that the issue of Shares to Mr Kins in accordance with this Resolution 18 is ‘reasonable remuneration’ in accordance with section 211 of the Corporations Act.

18.3 Information required by Listing Rule 10.13

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 18 is provided:

(a) *Parties to whom the securities will be issued*

Mr Imants Kins or his nominee.

(b) *Maximum number of securities to be issued*

40,000,000 Shares.

(c) *Last Date for of issue securities*

The Company will issue the Shares to Mr Kins or his nominee within one month of the date of the Meeting.

(d) *Relationship of Related Party*

Mr Kins is a Director.

(e) *Issue price and terms of issue*

The Shares will be fully paid ordinary shares in the Company and issued at a deemed issue price of \$0.001.

(f) *Use of funds raised*

There will be no cash funds raised from the issue of Shares pursuant to this Resolution 18. The Shares will be issued as a signing on bonus as part of the appointment of Mr Kins as Non-executive Chairman of the Company.

18.4 Voting Exclusion Statement

A description of the persons not permitted to vote on Resolution 18, and whose votes will be disregarded if cast on Resolution 18, is set out in the Notice.

18.5 Recommendation of Directors

Each Director, other than Imants Kins, recommends that Shareholders vote **IN FAVOUR** of Resolution 18.

Each Director, other than Imants Kins, confirms that he has no personal interest in the outcome of Resolution 18 other than in his capacity as a Shareholder or an Associate of a Shareholder.

19. ENQUIRIES

Shareholders are advised to contact Trent Franklin, the Company Secretary, on +61 2 8316 3993 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

For the purposes of this Notice, the following terms have the meanings prescribed below:

\$	Australian dollars.
7.11.3 Waiver	the waiver of Listing Rule 7.11.3 granted by ASX Compliance Pty Ltd to the Company in respect of the Entitlements Issue.
AEST	Australian Eastern Savings Time.
Associate	has the meaning given in Listing Rule 19.12.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the securities exchange market operated by it, as the context requires.
ATCHK	Asia Tungsten Products Co Limited, the joint venture holding company in which the Company holds 60% of the shares, with the intention to acquire the remaining 40%.
Board	the board of directors of the Company as constituted from time to time.
Business Day	a day which is not a Saturday, Sunday, a bank holiday or a public holiday in Sydney, and any other day that ASX declares is not a business day.
Chair	the person chairing the Meeting.
Chen	Mr Guangyu (George) Chen, the Company's joint venture partner in ATCHK.
Chen Transaction	the agreement pursuant to which the Company has agreed to purchase all of the shares held by its joint venture partner, Chen, in ATCHK, resulting in the Company owning 100% of the ferro-tungsten production plant owned by ATCHK and its Vietnamese subsidiary, as announced to the market on 26 February 2018.
Company	ATC Alloys Limited ACN 118 738 999.
Constitution	the constitution of the Company (as amended from time to time).
Convertible Note	a loan note issued by the Company on the terms and conditions set out in Part A of Schedule 1.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company as at the date of this Document.
Document	this document entitled "Notice of General Meeting", including any annexures or schedules to, of or accompanying this document.
Entitlements Issue	an underwritten non-renounceable Entitlements Issue to raise A\$5,072,093,316 that is proposed to be undertaken by the Company.
Equity Security	has the meaning given in Listing Rule 19.12.
Explanatory Statement	the section entitled "Explanatory Statement" of this Document, forming part of the Notice.

Key Management Personnel	the directors of the Company and other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.
Listing Rules	the listing rules of the ASX, as amended from time to time.
Meeting	the general meeting of the Company convened pursuant to in the Notice, and any meeting that was held pursuant to an adjournment of the initial general meeting.
Non-Convertible Note	a loan note issued by the Company on the terms and conditions set out in Part B of Schedule 1.
Noteholder	the registered holder of a Note.
Notice or Notice of Meeting	the notice convening this Meeting as set out in this Document.
Ochre	Ochre Group Holdings Limited ACN 008 877 745.
Ordinary resolution	a resolution of Shareholders that is approved by a simple majority of the votes cast by Shareholders present at the Meeting (whether in person or by proxy) and entitled to vote on that resolution.
Proxy Form	the 'Appointment of Proxy' form attached to this Document.
Related Party	has the meaning given to that term in Listing Rule 19.12.
Resolution	a resolution set out in the Notice.
Resolution 8 Shares	the Shares that may be issued pursuant to the terms of, and subject to Shareholders approving, Resolution 8.
Relevant Interest	has the meaning give to that term in Sections 608 and 609 of the Corporations Act.
Share	a fully paid ordinary share in the issued share capital of the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	a person recorded on the register of members maintained by the Company pursuant to sections 168 and 169 of the Corporations Act as a holder of one or more Shares.
Siderian	Siderian Resource Capital Limited
Siderian Loan	The Company's secured loan from Siderian.
Sophisticated Investor	a person to whom an offer of the Company's securities may be made without disclosure in reliance on section 708(8) or 708(11) of the Corporations Act and that is not already a Related Party of the Company.

Interpretation

In this Notice, headings are for convenience only and do not affect interpretation and except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) other grammatical forms of a defined word or expression have a corresponding meaning;
- (c) a reference to a section, paragraph, schedule or annexure is to a section or paragraph of or schedule or annexure to this Notice and a reference to this Notice includes any schedule and annexure;
- (d) a reference to a document or agreement includes the document or agreement as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Australian Eastern Standard Time;
- (g) a reference to a year (other than a financial year) or a month means a calendar year or calendar month respectively;
- (h) a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, firm, body corporate, trust, joint venture, association, governmental or local authority or agency or other entity;
- (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) any authorities, associations, bodies and entities, whether statutory or otherwise, will, in the event of such authority, association, body or entity ceasing to exist or being reconstituted, replaced or the powers or functions thereof being transferred to or taken over by any other authority, association, body or entity, be deemed to refer respectively to the authority, association, body or entity established, constituted or substituted in lieu thereof which exercises substantially the same powers or functions; and
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions.

SCHEDULE 1 – TERMS AND CONDITIONS OF NOTES

PART A – CONVERTIBLE NOTES

The Convertible Notes will be issued on the following terms and conditions:

- (g) **(Face Value)**: the face value of each Convertible Note is as set out in the Convertible Note Certificate.
- (h) **(Conversion Price)**: The Convertible Notes are convertible at the conversion price stated in the convertible note agreement and as specified in section 4.3(d) of the Explanatory Statement.
- (i) **(Interest)**: Interest is payable half yearly on each Convertible Note at the interest rate stated in the convertible note agreement and specified in section 4.3(d) of the Explanatory Statement.
- (j) **(Conversion)**: either:
 - (a) the Company will be entitled to Convert all but not some of the Convertible Notes, each at the Conversion Price; or
 - (b) a Noteholder will be entitled to Convert all but not some of the Convertible Notes that it is registered as holding, at the Conversion Price,by delivering a conversion notice to the Company at any time prior to the Maturity Date.
- (k) **(Redemption)**: A Convertible Note may be redeemed by and at the election of the Company, by the Company delivering a redemption notice to the applicable Noteholder at any time prior to the Maturity Date.
- (l) **(Subordination)**: The Noteholder's right to receive any payment in the event of redemption of all Convertible Notes held by that Noteholder is subordinated to and ranks in priority after the rights (if any) of Siderian Resource Capital Limited (**Siderian**) with respect to all encumbrances granted by the Company and its subsidiaries in favour of Siderian on or before the date the face value of the Convertible Note (**Principal**) is advanced (**Priority Encumbrance**). Additionally, payments of interest to a Noteholder cannot be made in cash until all outstanding debts owed to Siderian are paid and discharged.
- (m) **(Security)**: The Convertible Notes are secured by a general security deed ranking behind and subordinated to the Priority Encumbrance over the assets and undertakings of the Company securing the repayment of the Principal and any other monies that may become payable to the Noteholder in relation to the Convertible Notes or as a consequence of enforcement of the Noteholder's rights pursuant to the terms and conditions of the Convertible Notes.
- (n) **(Reconstruction)**: If there is a reconstruction (including, consolidation, subdivision, reduction or return) of the issued capital of the Company, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.
- (o) **(Bonus Share allotment)**: If a bonus share allotment is made by the Company to its Shareholders, at any time during the period subsequent to the issue of a Convertible Note to a Noteholder and prior to conversion of that Convertible Note, and if the Noteholder issues a conversion notice, the Company will issue that Noteholder:
 - (c) shares in the capital of the Company of the same class as the shares the subject of the bonus share allotment; and

- (d) the number of shares so issued will be equal to the number of shares in the capital of the Company to which that Noteholder would have been entitled, if the face value of the Convertible Notes held by that Noteholder in respect of which the conversion notice is issued, had been converted immediately prior to the making of the bonus share allotment,

and on terms and conditions that are the same as or correspond with, and in any event, are no more favourable to the Noteholder than, the terms and conditions on which such shares are allotted to any Shareholder.

- (p) **(Pro Rata Issues):** If a pro rata issue is made by the Company to its Shareholders, at any time during the period subsequent to the issue of a Convertible Note to a Noteholder and prior to conversion of that Convertible Note, the Noteholder shall be entitled to participate in the pro rata issue for the number of Shares or other securities to which that Noteholder would have been entitled, if the face value of the Convertible Notes held by that Noteholder had been converted immediately prior to the record date applicable to that issue, on terms and conditions that are the same as or correspond with, and in any event are no more favourable to the Noteholder than, the terms and conditions on which such shares or other securities are offered to any Shareholder.
- (q) **(Compliance with laws-restrictions on conversion):** Notwithstanding any other term, a Noteholder is not entitled to convert (and the Company is entitled to refuse to convert) such number of Convertible Notes that would result in:
 - (i) a person acquiring voting power in the Company in breach of section 606 of the Corporations Act (or any equivalent provision); or
 - (ii) a person acquiring Shares where a notification or consent is required under any legislation by which the Company and its related bodies corporate are bound that has not been sent or obtained.

SCHEDULE 1 – TERMS AND CONDITIONS OF NOTES

PART B – NON CONVERTIBLE NOTES

The Non-Convertible Notes will be issued on the following terms and conditions:

- (a) **(Face Value)**: the face value of each Non-Convertible Note is as set out in the Non-Convertible Note Certificate.
- (b) **(Interest)**: Interest is payable half yearly on each Non-Convertible Note at an interest rate of 12% per annum.
- (c) **(Non Conversion)**: neither the Company nor the Noteholder will be entitled to convert any or all of the Non-Convertible Notes that it holds into any Share or other Equity Security issued by the Company.
- (d) **(Redemption)**: A Non-Convertible Note may be redeemed by and at the election of:
 - (i) the Company, by the Company delivering a redemption notice to the applicable Noteholder at any time prior to the Maturity Date; and
 - (ii) the Noteholder of that Non-Convertible Note, by the Noteholder delivering a redemption notice to the Company at any time after the first anniversary of the date of issue of that Non-Convertible Note.
- (e) **(Subordination)**: The Noteholder's right to receive any payment in the event of redemption of all Non-Convertible Notes held by that Noteholder is subordinated to and ranks in priority after the rights (if any) of Siderian Resource Capital Limited (**Siderian**) with respect to all encumbrances granted by the Company and its subsidiaries in favour of Siderian on or before the date the face value of the Non-Convertible Note (**Principal**) is advanced (**Priority Encumbrance**). Additionally, payments of interest to a Noteholder cannot be made in cash until all outstanding debts owed to Siderian are paid and discharged.
- (f) **(Security)**: The Non-Convertible Notes are unsecured.

SCHEDULE 2 – SHARE CAPITAL STRUCTURE

		Number
Resolution	Currently on issue	140,891,481
5	Approval to conduct Entitlements Issue ¹	5,072,093,316
6	Issue of shares to Patrick Burke	98,250,000
7	Issue of shares to Enrizen Capital	250,000,000
8	Issue to Ochre Group Holdings Limited	2,750,000,000
9	Issue to Somers and Partners Pty Ltd	1,335,405,720
10	Issue of shares to Nicholas Halliday	28,000,000
11	Issue of shares to Saxon Ball	34,000,000
12	Issue of shares to Nathan Featherby	85,000,000
13	Reduction of convertible notes issue price ²	4,430,000,000
14	Issue of shares to George Chen	3,000,000,000
15	Issue of shares to John Chegwidden	150,000,000
16	Issue of shares to unrelated creditors	438,138,890
17	Issue of shares to Siderian Resource Capital Limited	800,000,000
18	Issue of shares to Imants Kins	40,000,000
	Total³	18,651,779,407

¹ Assumes the Entitlements Issue raises the full intended amount.

² Assumes all convertible note holders agree to convert their notes.

³ Assumes no options are exercised prior to the finalisation of the Entitlements Issue.

ANNEXURE A – PROXY FORM – ATC ALLOYS LIMITED

ANNUAL GENERAL MEETING

I/ We

_____ *Name of shareholder*

of

_____ *Address*

appoint

_____ *Name of proxy*

OR

the Chair of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Meeting, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Meeting to be held at **10:00 a.m. (AEST) on 22 August 2018 at Level 15, 1 O’Connell Street, Sydney NSW 2000 Australia**, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the resolutions.

If the Chair 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 **Resolutions 1 to 18** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of resolutions 1-18 and that votes cast by the Chair of the Meeting for resolutions 1-18, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on resolutions 1-18 and your votes will not be counted in calculating the required majority if a poll is called on resolutions 1-18.

OR

Voting on Business of the Meeting

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Nicholas Halliday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Saxon Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to conduct Entitlements Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Shares to director – Patrick Burke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares to Enrizen Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Shares to Ochre Group Holdings Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Issue of Shares to Somers and Partners Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Issue of Shares to former director – Nicholas Halliday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Issue of Shares to director – Saxon Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Issue of Shares to director – Nathan Featherby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Reduction in conversion price for convertible notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Issue of Shares to George Chen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Issue of Shares to John Chegwidden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Issue of Shares to unrelated creditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Issue of Shares to Siderian Resource Capital Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Issue of Shares to director – Imants Kins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Signature of Member(s): _____

Date: _____

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

ATC ALLOYS LIMITED

ACN 118 738 999

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members must sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the *Corporations Act*) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to GPO Box 225, Sydney NSW 2001, Australia; or
 - (b) facsimile to the Company on facsimile number (+61 2) 8316 3999,so that it is received not later than 10:00 am (AEST) **on 20 August 2018.**

Proxy Forms received later than this time will be invalid.

CORPORATE DIRECTORY

Board of Directors

Imants Kins, Non-Executive Chairman
Nathan Featherby, Executive Director
Saxon Ball, Non-Executive Director

Company Secretary

Trent Franklin

Registered Office

Level 11, 52 Phillip Street
Sydney NSW 2000
Australia

Company Website

<http://www.atcalloys.com/>

Share Registry

Computershare Investor Services Pty Limited

Phone: 1300 787 272