

Tawana Resources NL  
(Incorporated in Australia)  
(Registration number ACN 085 166 721)  
Share code on the JSE Limited: TAW  
ISIN: AU000000TAW7  
Share code on the Australian Stock Exchange Limited: TAW  
ISIN: AU000000TAW7  
("Tawana" or "the Company")

**Tawana Resources NL**  
**ACN 085 166 721**

**Notice of General Meeting**

**General Meeting of Shareholders to be held at  
Freemasons Hall, 181 Roberts Road, Subiaco, Western  
Australia at 9:00am (WST) on 12 December 2013.**

**Important**

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

## Notice of General Meeting

Notice is given that the General Meeting of Shareholders of Tawana Resources NL ACN 085 166 721 (**Company**) will be held at Freemasons Hall, 181 Roberts Road, Subiaco, Western Australia commencing at 9:00am (WST) on 12 December 2013.

### Business

#### 1. Resolution 1 – Issue of Performance Options to Wayne Richards

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval be given for the issue of 10,000,000 Class A Performance Options, 10,000,000 Class B Performance Options and 10,000,000 Class C Performance Options to Wayne Richards or his nominee in accordance with his employment agreement with the Company, as set out in the Explanatory Statement.”*

##### Voting exclusion

The Company will disregard any votes cast on Resolution 1 by Wayne Richards and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 – Issue of Class A Incentive Options to Wayne Richards

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

*“That for the purposes of section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval be given for the issue of 25,000,000 Class A Incentive Options to Wayne Richards (and/or his nominee) in accordance his employment agreement with the Company, as set out in the Explanatory Statement.”*

##### Voting exclusion

The Company will disregard any votes cast on Resolution 2 by Wayne Richards and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 – Issue of Class B Incentive Options to Lennard Kolff van Oosterwijk

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

*“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval be given for the issue of 10,000,000 Class B Incentive Options to Lennard Kolff van Oosterwijk (and/or his nominee), as set out in the Explanatory Statement.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 3 by Lennard Kolff van Oosterwijk and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 Class A Incentive Options to Matthew Bowles**

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

*“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval be given for the issue of 3,500,000 Class A Incentive Options to Matthew Bowles (and/or his nominee), as set out in the Explanatory Statement.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 4 by Matthew Bowles and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 – Issue of Class A Incentive Options to Aaron Finlay**

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval be given for the issue of 750,000 Class A Incentive Options to Aaron Finlay (and/or his nominee), as set out in the Explanatory Statement.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 5 by Aaron Finlay and any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 Class A Incentive Options to Winton Willesee**

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval be given for the issue of 750,000 Class A Incentive Options to Winton Willesee (and/or his nominee), as set out in the Explanatory Statement.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 6 by Winton Willesee and any of his associates.

However, the Company will not disregard a vote if:

- |     |  |
|-----|--|
| (a) | it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;<br>or                           |
| (b) | it is cast by the Chairman 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 Class A Incentive Options to Rockson Coffie

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval be given for the issue of 1,500,000 Class A Incentive Options to Rockson Coffie (and/or his nominee), as set out in the Explanatory Statement.”*

### Voting exclusion

The Company will disregard any votes cast on Resolution 7 by Rockson Coffie and any of his associates.

However, the Company will not disregard a vote if:

- |     |  |
|-----|--|
| (a) | it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;<br>or                           |
| (b) | it is cast by the Chairman 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 – Ratification of prior issue of Shares under the Placement

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, the issue of 244,000,000 Shares to Exempt Investors under the Placement as set out in the Explanatory Statement is hereby approved and ratified.”*

### Voting exclusion

The Company will disregard any votes cast on Resolution 8 by a person who participated in the Placement and any of its associates.

However, the Company will not disregard a vote if:

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|-----|--|
| (a) | it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;<br>or                           |
| (b) | it is cast by the Chairman 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 Wayne Richards

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

*“That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.11, and for all other purposes, approval be given for the issue of 5,000,000 Shares to Wayne Richards (and/or his nominee) at an issue price of \$0.012 each, as set out in the Explanatory Statement.”*

### Voting exclusion

The Company will disregard any votes cast on Resolution 9 by Wayne Richards and any of his associates.

However, the Company will not disregard a vote if:

- |     |  |
|-----|--|
| (a) | it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;<br>or                           |
| (b) | it is cast by the Chairman 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 – Issue of Placement Options to Canaccord Genuity (Australia) Limited**

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

*“That, for the purposes of Listing Rule 7.1, and for all other purposes, approval be given for the issue of 10,000,000 Placement Options to Canaccord Genuity (Australia) Limited (and/or its nominee) in accordance with the Lead Manager Mandate, as set out in the Explanatory Statement.”*

**Voting exclusion**

The Company will disregard any votes cast on Resolution 10 by Canaccord Genuity (Australia) Limited and any of his associates.

However, the Company will not disregard a vote if:

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

**By order of the Board**

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**Winton Willesee**  
Joint Company Secretary  
Tawana Resources NL

4 November 2013

## Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

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

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms used in the Notice and Explanatory Statement are defined in the Glossary.

### 1. Proxies

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Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Members of Key Management Personnel and their Closely Related Parties will not be able to vote as proxy on Resolutions 1 to 4, 7 and 9 unless the Shareholder directs them how to vote or, in the case of the Chairman, unless the Shareholder expressly authorises him to do so. If a Shareholder intends to appoint a member of Key Management Personnel or their Closely Related Parties (other than the Chairman) as its proxy, the Shareholder should ensure that it directs the proxy how to vote on Resolutions 1 to 4, 7 and 9.

If a Shareholder intends to appoint the Chairman as its proxy on Resolutions 1 to 4, 7 and 9 the Shareholder can direct the Chairman how to vote by marking one of the boxes for those Resolutions (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If a Shareholder does not direct the Chairman how to vote, the Shareholder can expressly authorise the Chairman to vote as the Chairman thinks fit on Resolutions 1 to 4, 7 and 9 by marking the appropriate box on the Proxy Form even though those Resolutions are connected to the remuneration of members of Key Management Personnel and even if the Chairman has an interest in the outcome of those Resolutions.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- (a) post to the Company's registered office at Suite 25, 145 Stirling Highway, Nedlands, Western Australia 6009;
- (b) post to the Company at PO Box 3144, Nedlands, Western Australia 6009;
- (c) facsimile to the Company on (08) 9389 3199; or
- (d) email to the Company Secretary at winton@azc.com.au,

so that it is received by no later than 9:00am (WST) on 10 December 2013. Proxy Forms received later than this time will be invalid.

## **2. Voting entitlements**

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In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7:00pm (WST) on 10 December 2013. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the General Meeting.

## **3. Resolutions 1 and 2 – Issue of Performance Options and Class A Incentive Options to Wayne Richards**

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### **3.1 Background**

As announced on 15 August 2013, the Company has appointed Wayne Richards as its Executive Chairman. Mr Richards commenced his role on 15 August 2013.

The Company has entered into an employment agreement with Mr Richards in relation to his new role. Under the employment agreement, Mr Richards is entitled to a base salary of \$250,000 per annum (inclusive of superannuation) and directors fees of \$60,000 (inclusive of superannuation). In addition, the Company has agreed, subject to Shareholder approval, to issue the following securities to Mr Richards as part of his remuneration package:

<b>Security</b>	<b>Number</b>	<b>Vesting</b>	<b>Expiry date</b>	<b>Exercise price</b>
Class A Performance Options	10,000,000	Upon satisfaction of the performance criteria set out in Annexure A	31 August 2014	\$0.0001 each
Class B Performance Options	10,000,000	Upon satisfaction of the performance criteria set out in Annexure A	31 August 2015	\$0.0001 each
Class C Performance Options	10,000,000	Upon satisfaction of the performance criteria set out in Annexure A	31 August 2016	\$0.0001 each

Class A Incentive Options	25,000,000	Upon issue	12 December 2016	\$0.015 each
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The Company believes that these securities provide a means by which the Company can reward Mr Richards for signing on to his new position and also provide a cost effective performance-based incentive to Mr Richards in his new role. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The benefit from the Performance Options will only be received if the Company satisfies certain performance targets and Mr Richards pays the relevant exercise price. Similarly, the benefit from the Class A Incentive Options will only be received if the Company's Share price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to the issue of the Performance Options and the Class A Incentive Options in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

### 3.2 Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As a Director, Mr Richards is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Performance Options and Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Performance Options and Class A Incentive Options under Resolutions 1 and 2 to Mr Richards as a related party of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 1 and 2:

(a) **Related party to whom the financial benefits are to be given**

Wayne Richards (and/or his nominee).

(a) **Nature of the financial benefits**

The issue of 10,000,000 Class A Performance Options, 10,000,000 Class B Performance Options, 10,000,000 Class C Performance Options and 25,000,000 Class A Incentive Options to Mr Richards. The Performance Options will be issued on the terms set out in Annexure A and the Class A Incentive Options will be issued on the terms set out in Annexure B.

(b) **Valuation of the financial benefits**

The Company has engaged Stantons International to prepare independent valuations of the Performance Options and the Incentive Options.



## **Performance Options**

The Black-Scholes option pricing model has been applied in providing valuation information in respect to the Performance Options to be issued to Mr Richards. Stantons International has determined that each Performance Option has an implied value of \$0.022902 for the Class A Performance Options, \$0.022910 for the Class B Performance Options and \$0.022928 for the Class C Performance Options. Accordingly, the aggregate implied value of the Incentive Options to be issued to Mr Richards is \$687,400.

The following variables and assumptions were used in the valuation:

- (i) A Share price of \$0.023 (assumed closing price on the day of the General Meeting being the market price on ASX on 18 October 2013).
- (ii) A risk free interest rate of 2.99% (assumed on the day of the General Meeting).
- (iii) Respective expiry dates of 31 August 2014, 31 August 2015 and 31 August 2016.
- (iv) An exercise price of \$0.0001 each.
- (v) Volatility of 175%.
- (vi) No discount for non-transferability.
- (vii) The underlying Shares do not currently pay a dividend.
- (viii) In accordance with the relevant accounting standards no discount has been applied to reflect the requirements to meet the vesting conditions before the Performance Options vest.

## **Incentive Options**

The Black-Scholes option pricing model has been applied in providing valuation information in respect to the Incentive Options to be issued to Mr Richards. Stantons International has determined that each Incentive Option has an implied value of \$0.020723 each. Accordingly, the aggregate implied value of the Incentive Options to be issued to Mr Richards is \$518,075.

The following variables and assumptions were used in the valuation:

- (i) A Share price of \$0.023 (assumed closing price on the day of the General Meeting being the market price on ASX on 18 October 2013).
- (ii) A risk free interest rate of 2.99% (assumed on the day of the General Meeting).
- (iii) An expiry date of 12 December 2016.
- (iv) An exercise price of \$0.015 each.
- (v) Volatility of 175%.

- (vi) No discount for non-transferability.
- (vii) The underlying Shares do not currently pay a dividend.

(c) **Current remuneration and security interests**

Details of Mr Richards' current annualised pro-rata remuneration, as well as his security interests (both direct and indirect) in the Company as at the date of the Notice, are outlined below:

Director	Salary/fees	Security interests
Wayne Richards	\$310,000 per annum (including superannuation)	Nil

**Notes:**

1. If Resolution 9 is passed, the Company will be entitled to issue 5,000,000 Shares to Mr Richards at an issue price of \$0.012 each.

(d) **Dilution**

**Performance Options**

If all of the Performance Options issued under Resolution 1 were converted into Shares, and no other Shares were issued by the Company (including Shares pursuant to Resolution 9 or the exercise of existing Options or the Incentive Options under Resolutions 2 to 7), the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 2.46%.

**Incentive Options**

If all of the Incentive Options issued under Resolution 2 were converted into Shares, and no other Shares were issued by the Company (including Shares pursuant to Resolution 9 or the exercise of existing Options, the Incentive Options under Resolutions 3 to 7 or the Performance Options under Resolution 1), the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 2.05%.

(e) **Accounting**

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Performance Options and the Class A Incentive Options under Resolutions 1 and 2) will be recognised as an expense in respect of the services received.

(f) **Trading history**

As at the date of the Notice, the Company had 1,220,629,043 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.033 on 22 October 2013 and \$0.006 on 8 May 2013. The closing market sale price of the Company's Shares on the ASX on 24 October 2013 was \$0.028.

As at the date of the Notice, the Company had the following unlisted Options on issue:

Grant date	Expiry date	Exercise price	Number
10 Nov 2011	10 Nov 2013	\$0.03	1,250,000
17 Jan 2009	17 Jan 2014	\$0.10	6,750,000
8 Mar 2011	8 Mar 2014	\$0.01	25,000,000
9 Sep 2010	9 Sep 2014	\$0.05	5,000,000
28 May and 27 June 2012	30 April 2015	\$0.036	28,500,000
10 Nov 2011	10 Nov 2015	\$0.05	1,250,000
			<b>67,750,000</b>

(g) **Terms of securities**

The terms of the Performance Options are set out in Annexure A and the terms of the Class A Incentive Options are set out in Annexure B.

(h) **Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Options or the Incentive Shares.

(i) **Intended use of funds raised**

There will be no funds raised in connection with the issue of the Performance Options or the Class A Incentive Options under Resolutions 1 and 2 as they are to be issued as part of Mr Richards' remuneration package under his employment contract. The proceeds from a future exercise of the Performance Options or the Class A Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Class A Incentive Options at the discretion of the Board.

(j) **Directors' interests**

Mr Richards has a material personal interest in the outcome of Resolutions 1 and 2 as the recipient of the Performance Options and Class A Incentive Options. No other Director has a material personal interest in the outcome of Resolutions 1 and 2.

(k) **Directors' recommendations**

Mr Richards expresses no opinion and makes no recommendation in respect of the issue of the Performance Options and Class A Incentive Options to him as he has a material personal interest in the outcome of Resolutions 1 and 2.

Each of the other Directors recommends that Shareholders vote in favour of the issue of the Performance Options and Class A Incentive Options to Mr Richards for the reasons set out in the Explanatory Statement and on the basis that, in their opinion, the proposed issue of Performance Options and Class A Incentive Options:

- (i) provides a long-term incentive to Mr Richards linked to the future success of the Company;

- (ii) is a fair and reasonable alternative to additional cash remuneration; and
- (iii) is necessary to reflect remuneration benefits payable to directors of other companies operating in the Company's industry and in an international business environment.

(l) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 1 and 2.

### 3.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As a Director, Mr Richards is a related party of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Performance Options and the Class A Incentive Options under Resolutions 1 and 2 to Mr Richards as a related party of the Company.

The issue of the Performance Options and Class A Incentive Options under Resolutions 1 and 2 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those securities (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolutions 1 and 2:

(a) **Name of the person**

Wayne Richards (and/or his nominee).

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

10,000,000 Class A Performance Options, 10,000,000 Class B Performance Options, 10,000,000 Class C Performance Options and 25,000,000 Class A Incentive Options.

(c) **Date by which the entity will issue the securities**

The Performance Options and Class A Incentive Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Relationship that requires Shareholder approval**

Mr Richards is a related party of the Company by virtue of being a Director of the Company.

(e) **Issue price of the securities**

The Performance Options and the Class A Incentive Options will be issued without payment of cash consideration as they are being issued as part of Mr Richards' remuneration package under his employment contract.

(f) **Terms of the issue**

The terms of the Performance Options are set out in Annexure A and the terms of the Class A Incentive Options are set out in Annexure B.

(g) **Intended use of the funds raised**

There will be no funds raised in connection with the issue of the Performance Options or the Class A Incentive Options under Resolutions 1 and 2 as they are to be issued as part of Mr Richards' remuneration package under his employment contract. The proceeds from a future exercise of the Performance Options or the Class A Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Class A Incentive Options at the discretion of the Board.

#### **4. Resolutions 3 and 4 – Issue of Incentive Options to Directors**

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##### **4.1 Background**

The Company is seeking Shareholder approval to the issue of a total of 13,500,000 Incentive Options to Lennard Kolff van Oosterwijk and Matthew Bowles in accordance with section 208 of the Corporations Act and Listing Rule 10.11. The Company proposes to issue the Incentive Options to Mr Kolff and Mr Bowles as follows:

<b>Recipient</b>	<b>Number and Class</b>	<b>Expiry date</b>	<b>Exercise price</b>
Lennard Kolff van Oosterwijk	10,000,000 Class B Incentive Options	12 December 2016	Exercisable at 135% of the 30 day VWAP on 12 December 2013
Matthew Bowles	3,500,000 Class A Incentive Options	12 December 2016	\$0.015 each

The Company believes that the Incentive Options provide a means by which the Company can reward Mr Kolff and Mr Bowles for their continued contribution to the Company's progress to date and to further incentivise their ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The benefit from the Incentive Options will only be received if the Company's Share price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to the issue of the Incentive Options in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

##### **4.2 Section 208 of the Corporations Act**

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless

one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As Directors, Mr Kolff and Mr Bowles are related parties of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Incentive Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Incentive Options under Resolutions 3 and 4 to Mr Kolff and Mr Bowles, respectively, as related parties of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 and 4:

(a) **Related parties to whom the financial benefits are to be given**

Lennard Kolff van Oosterwijk (and/or his nominee) and Matthew Bowles (and/or his nominee).

(b) **Nature of the financial benefits**

The issue of a total of 13,500,000 Incentive Options to Mr Kolff and Mr Bowles as follows:

<b>Recipient</b>	<b>Number and Class</b>
Lennard Kolff van Oosterwijk	10,000,000 Class B Incentive Options
Matthew Bowles	3,500,000 Class A Incentive Options
<b>Total</b>	<b>13,500,000 Incentive Options</b>

The Incentive Options will be issued on the terms set out in Annexure B

(c) **Valuation of the financial benefits**

The Company has engaged Stantons International to prepare an independent valuation of the Incentive Options.

The Black-Scholes option pricing model has been applied in providing valuation information in respect to the Incentive Options to be issued to Mr Kolff and Mr Bowles. Stantons International has determined that each Class B Incentive Option has an implied value of \$0.019698 whilst each Class A Incentive Option has an implied value of \$0.020723. Accordingly, the aggregate implied value of the Incentive Options to be issued to Mr Kolff and Mr Bowles is as follows:

<b>Recipient</b>	<b>Implied value each</b>	<b>Number</b>	<b>Value</b>
Lennard Kolff van Oosterwijk	\$0.019698	10,000,000	\$196,980
Matthew Bowles	\$0.020723	3,500,000	\$72,530
<b>Total</b>		<b>13,500,000</b>	<b>\$269,510</b>

The following variables and assumptions were used in the valuation:

- (i) A Share price of \$0.023 (assumed closing price on the day of the General Meeting being the market price on ASX on 18 October 2013).
  - (ii) A risk free interest rate of 2.99% (assumed on the day of the General Meeting).
  - (iii) An expiry date of 12 December 2016.
  - (iv) An exercise price of \$0.015 for the Class A Incentive Options and \$0.03105 for the Class B Incentive Options (being 135% of the assumed 30 day VWAP as at 12 December 2013).
  - (v) Volatility of 175%.
  - (vi) No discount for non-transferability.
  - (vii) The underlying Shares do not currently pay a dividend.
- (d) **Current remuneration and security interests**

Details of Mr Kolff and Mr Bowles' current annualised pro-rata remuneration, as well as their security interests (both direct and indirect) in the Company as at the date of the Notice, are outlined below:

Director	Salary/fees	Security interests
Lennard Kolff van Oosterwijk	\$269,425 per annum <sup>1</sup> (including superannuation)	<ul style="list-style-type: none"> <li>• Nil Shares</li> <li>• 15,000,000 Options<sup>2</sup></li> </ul>
Matthew Bowles	\$40,000 per annum (including superannuation)	<ul style="list-style-type: none"> <li>• 6,000,000 Shares</li> <li>• 5,000,000 Options<sup>3</sup></li> </ul>

**Notes:**

1. On 9 September 2013, the Company renewed the employment contract of Lennard Kolff van Oosterwijk, a summary of which is provided in Annexure C of this Notice in satisfaction of the relevant ASX guidelines requiring listed entities to disclose the relevant terms of the Managing Director's remuneration.
2. Lennard Kolff van Oosterwijk holds an interest in 5,000,000 unlisted Options exercisable at \$0.05 each and expiring on 9 September 2014 and 10,000,000 unlisted Options exercisable at \$0.036 each and expiring on 30 April 2015.
3. Matthew Bowles holds an interest in 5,000,000 unlisted Options exercisable at \$0.036 each and expiring on 30 April 2015.

(e) **Dilution**

If all of the Incentive Options issued under Resolutions 3 and 4 were converted into Shares, and no other Shares were issued by the Company (including Shares pursuant to Resolution 9 or the exercise of existing Options, the Performance Options under Resolution 1 or the Incentive Options under Resolutions 2, 5, 6 and 7), the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 1.11%.

(f) **Accounting**

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods means that, under AASB2 Share-based Payment, equity-based compensation (such as the Incentive Options under Resolutions 3 and 4) will be recognised as an expense in respect of the services received.

(g) **Trading history**

As at the date of the Notice, the Company had 1,220,629,043 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.033 on 22 October 2013 and \$0.006 on 8 May 2013. The closing market sale price of the Company's Shares on the ASX on 24 October 2013 was \$0.028.

As at the date of the Notice, the Company had the following unlisted Options on issue:

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Number</b>
10 Nov 2011	10 Nov 2013	\$0.03	1,250,000
17 Jan 2009	17 Jan 2014	\$0.10	6,750,000
8 Mar 2011	8 Mar 2014	\$0.01	25,000,000
9 Sep 2010	9 Sep 2014	\$0.05	5,000,000
28 May and 27 June 2012	30 April 2015	\$0.036	28,500,000
10 Nov 2011	10 Nov 2015	\$0.05	1,250,000
			<b>67,750,000</b>

(h) **Terms of securities**

The terms of the Incentive Options are set out in Annexure B.

(i) **Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options.

(j) **Intended use of funds raised**

There will be no funds raised in connection with the issue of the Incentive Options under Resolutions 3 and 4 as the Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Incentive Options at the discretion of the Board.



(k) **Directors' interests**

Mr Kolff has a material personal interest in the outcome of Resolution 3 as the recipient of the Class B Incentive Options. No other Director has a material personal interest in the outcome of Resolution 3.

Mr Bowles has a material personal interest in the outcome of Resolution 4 as the recipient of the Class A Incentive Options. No other Director has a material personal interest in the outcome of Resolution 4.

(l) **Directors' recommendations**

Each Director has a conflict of interest in relation to the Resolution which, if passed, will authorise the issue of Incentive Options to that Director. Accordingly, no Director expresses an opinion or makes a recommendation in respect of the Resolution which involves the issue of Incentive Options to himself and from which he is abstained from voting.

The recommendation of the Directors and the reasons for that recommendation are as follows:

- (i) each Director (other than the relevant abstaining Director) recommends that Shareholders vote in favour of Resolutions 3 and 4; and
- (ii) each of the Directors making the recommendation to vote in favour of Resolutions 3 and 4 considers that those Resolutions are in the best interests of the Company as recognition of the relevant Director's continued contribution to the Company's progress to date and to further incentivise their ongoing performance and commitment to the Company.

(m) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolutions 3 and 4.

### 4.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As Directors, Mr Kolff and Mr Bowles are related parties of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Incentive Options under Resolutions 3 and 4 to Mr Kolff and Mr Bowles as related parties of the Company.

The issue of the Incentive Options under Resolutions 3 and 4 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those Incentive Options (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

(a) **Name of the persons**

Lennard Kolff van Oosterwijk (and/or his nominee) and Matthew Bowles (and/or his nominee).

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

A total of 13,500,000 Incentive Options as follows:

<b>Recipient</b>	<b>Number and Class</b>
Lennard Kolff van Oosterwijk	10,000,000 Class B Incentive Options
Matthew Bowles	3,500,000 Class A Incentive Options
<b>Total</b>	<b>13,500,000 Incentive Options</b>

(c) **Date by which the entity will issue the securities**

The Incentive Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Relationship that requires Shareholder approval**

Mr Kolff and Mr Bowles are related parties of the Company by virtue of being directors of the Company.

(e) **Issue price of the securities**

The Incentive Options will be issued without payment of cash consideration.

(f) **Terms of the issue**

The terms of the Incentive Options are set out in Annexure B.

(g) **Intended use of the funds raised**

There will be no funds raised in connection with the issue of the Incentive Options under Resolutions 3 and 4 as the Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Incentive Options at the discretion of the Board.

**5. Resolutions 5 and 6 – Issue of Class A Incentive Options to Company Secretaries**

**5.1 Background**

The Company is seeking Shareholder approval to the issue of a total of 1,500,000 Class A Incentive Options to Aaron Finlay and Winton Willesee (the joint Company Secretaries) in accordance with Listing Rule 7.1. The Company proposes to issue the Class A Incentive Options to Mr Finlay and Mr Willesee as follows:

Recipient	Number	Expiry date	Exercise price
Aaron Finlay	750,000	12 December 2016	\$0.015
Winton Willesee	750,000	12 December 2016	\$0.015

The Class A Incentive Options under Resolutions 5 and 6 will be issued to the Company Secretaries in recognition of their continued contribution to the Company's progress to date and to further incentivise their ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The benefit from the Class A Incentive Options will only be received if the Company's Share price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to the issue of the Class A Incentive Options in accordance with Listing Rule 7.1.

## 5.2 Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company during the previous 12 months (without approval and which were not subject to an exception), exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolutions 5 and 6 seek the approval of the issue of 1,500,000 Class A Incentive Options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolutions 5 and 6 are approved, the Class A Incentive Options will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

As required by Listing Rule 7.3, the following information is provided in relation to Resolutions 5 and 6:

(a) **Name of the persons to whom the entity will issue the securities**

Aaron Finlay (and/or his nominee) and Winton Willesee (and/or his nominee).

(b) **Maximum number of securities the entity is to issue**

A total of 1,500,000 Class A Incentive Options as follows:

Recipient	Number
Aaron Finlay	750,000
Winton Willesee	750,000
<b>Total</b>	<b>1,500,000</b>

(c) **Date by which the entity will issue the securities**

The Class A Incentive Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 3 months after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Issue price of the securities**

The Class A Incentive Options will be issued without payment of cash consideration.

(e) **Terms of the securities**

The terms of the Class A Incentive Options are set out in Annexure B.

(f) **Intended use of the funds**

There will be no funds raised in connection with the issue of the Class A Incentive Options under Resolutions 5 and 6 as the Class A Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Incentive Options at the discretion of the Board.

## **6. Resolution 7 – Issue of Class A Incentive Options to Rockson Coffie**

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### **6.1 Background**

The Company is seeking Shareholder approval to the issue of 1,500,000 Class A Incentive Options to Rockson Coffie in accordance with Listing Rule 7.1.

The Class A Incentive Options under Resolution 7 will be issued to Mr Coffie in consideration of geological consulting services provided by Mr Coffie to the Company to date and to further incentivise his ongoing performance and commitment to the Company. The Directors consider it prudent to remunerate by way of securities so as to preserve the cash reserves of the Company.

The benefit from the Class A Incentive Options will only be received if the Company's Share price exceeds the exercise price of the Options at the time of exercise.

The Company is seeking Shareholder approval to the issue of the Class A Incentive Options in accordance with Listing Rule 7.1.

### **6.2 Listing Rule 7.1**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company during the previous 12 months (without approval and which were not subject to an exception), exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 7 seeks the approval of the issue of 1,500,000 Class A Incentive Options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 7 is approved, the

Class A Incentive Options will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

As required by Listing Rule 7.3, the following information is provided in relation to Resolution 7:

(a) **Name of the persons to whom the entity will issue the securities**

Rockson Coffie (and/or his nominee).

(b) **Maximum number of securities the entity is to issue**

1,500,000 Class A Incentive Options.

(c) **Date by which the entity will issue the securities**

The Class A Incentive Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 3 months after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Issue price of the securities**

The Class A Incentive Options will be issued without payment of cash consideration.

(e) **Terms of the securities**

The terms of the Class A Incentive Options are set out in Annexure B.

(f) **Intended use of the funds**

There will be no funds raised in connection with the issue of the Class A Incentive Options under Resolution 7 as the Class A Incentive Options are to be issued without payment of cash consideration. The proceeds from a future exercise of the Class A Incentive Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Class A Incentive Options at the discretion of the Board.

## **7. Resolution 8 – Ratification of prior issues of Shares under the Placement**

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### **7.1 Background**

On 11 October 2013, the Company announced that it had agreed to issue 244,000,000 Shares to existing and new Shareholders under a placement at an issue price of \$0.012 each to raise approximately \$2.9m (**Placement**). The Company issued the Shares on 18 October 2013 under its placement capacities in Listing Rules 7.1 and 7.1A.

The Company is seeking Shareholder approval to the ratify the prior issue of Shares under the Placement in accordance with Listing Rule 7.1.

### **7.2 Listing Rule 7.4**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company during the previous 12 months (without approval and which were not subject to an exception), exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Shareholders passed a special resolution under Listing Rule 7.1A at the Company's annual general meeting on 31 March 2013 which provides the Company with additional placement capacity equal to 10% of its issued capital.

Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit. In addition, prior issues of securities under Listing Rule 7.1A can be ratified under Listing Rule 7.4 to replenish a company's additional 10% placement capacity and enable it to issue further securities up to that limit.

Resolution 8 proposes the ratification of the issue of 244,000,000 Shares under the Placement for the purpose of satisfying the requirements of Listing Rule 7.4. If Resolution 8 is approved, the Shares will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1 or its 10% calculation for the purposes of Listing Rule 7.1A.

As required by Listing Rule 7.5, the following information is provided in relation to Resolution 8:

(a) **Number of securities issued**

244,000,000 Shares.

(a) **Price at which the securities were issued**

\$0.012 each.

(b) **Terms of the securities**

The Shares issued under the Placement rank equally in all respects with other Shares on issue.

(c) **Name of the persons to whom the entity will issue the securities or the basis on which those persons were determined**

The Shares were issued to Exempt Investors who were clients of Canaccord Genuity (Australia) Limited.

(d) **Intended use of the funds raised**

The Company intends to use the funds raised under the Placement to advance its Mofe Creek iron ore project through continued drilling, metallurgical testwork and the initiation of a scoping study.

## **8. Resolution 9 – Issue of Shares to Wayne Richards**

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### **8.1 Background**

In conjunction with its announcement of the Placement on 11 October 2013, the Company advised that its Executive Chairman, Wayne Richards, wishes to subscribe for 5,000,000 Shares at an issue price of \$0.012 each to raise a further \$60,000 for the Company. The issue of Shares to Mr Richards would be on the same terms as the issue of Shares to participants under the Placement.

In addition to raising additional funds, the Company believes that the issue of Shares to Mr Richards will benefit the Company by further aligning the interests of Mr Richards with those of Shareholders.

The Company is seeking Shareholder approval to the issue of the Shares in accordance with section 208 of the Corporations Act and Listing Rule 10.11.

## **8.2 Section 208 of the Corporations Act**

Section 208 of the Corporations Act states that a public company cannot give a “financial benefit” (including an issue of shares and options) to a “related party” of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

As a Director, Mr Richards is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the issue of the Shares constitutes a financial benefit within the meaning of section 229 of the Corporations Act.

The Directors consider that the issue of the Shares to Mr Richards under Resolution 9 falls within the exception to the requirement for Shareholder approval in section 210 of the Corporations Act as they consider that, given the issue is on the same terms as the Placement to non-related parties, the issue of the Shares is reasonable due to the parties dealing at arm’s length. However, the Company has nevertheless decided, out of an abundance of caution, to seek Shareholder approval under section 208 of the Corporations Act to permit the issue of the Shares under Resolution 9 to Mr Richards as a related party of the Company.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 9:

(a) **Related party to whom the financial benefit is to be given**

Wayne Richards (and/or his nominee).

(b) **Nature of the financial benefit**

The issue of 5,000,000 Shares to Mr Richards at an issue price of \$0.012 each.

(c) **Valuation of the financial benefits**

The Shares will have a value of \$60,000 based on the issue price of the Shares (being \$0.012 each) and the amount to be paid by Mr Richards. However, the Shares will have a value of \$140,000 based on the market price of Shares on the ASX at the close of trading on 24 October 2013 (being \$0.028 each).

(d) **Current remuneration and security interests**

Details of Mr Richards’ current annualised pro-rata remuneration, as well as his security interests (both direct and indirect) in the Company as at the date of the Notice, are outlined below:

<b>Director</b>	<b>Salary/fees</b>	<b>Security interests</b>
Wayne Richards	\$310,000 per annum (including superannuation)	Nil <sup>1</sup>

**Notes:**

1. If Resolutions 1 and 2 are passed then Mr Richards will be issued 10,000,000 Class A Performance Options, 10,000,000 Class B Performance Options, 10,000,000 Class C Performance Options and 25,000,000 Class A Incentive Options.

(e) **Dilution**

If Shares are issued to Mr Richards then the shareholding of existing Shareholders would, based on the current issued capital of the Company, be diluted by approximately 0.41%.

(f) **Trading history**

As at the date of the Notice, the Company has 1,220,629,043 Shares on issue. The highest and lowest market sale price of the Shares in the Company during the twelve months immediately preceding the date of the Notice was \$0.033 on 22 October 2013 and \$0.006 on 8 May 2013. The closing market sale price of the Company's Shares on the ASX on 24 October 2013 was \$0.028

(g) **Terms of the securities**

The Shares to be issued to Mr Richards will rank equally in all respects with other Shares on issue.

(h) **Opportunity costs to the Company**

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Shares to Mr Richards.

(i) **Intended use of funds raised**

The Company intends to use the funds raised from the issue of Shares to Mr Richards to advance its Mofe Creek iron ore project through continued drilling, metallurgical testwork and the initiation of a scoping study.

(j) **Directors' interests**

Mr Richards has a material personal interest in the outcome of Resolution 9 as the recipient of the Shares. No other Director has a material personal interest in the outcome of Resolution 9.

(k) **Directors' recommendations**

Mr Richards expresses no opinion and makes no recommendation in respect of the issue of the Shares to him as he has a material personal interest in the outcome of Resolution 9.

Each of the other Directors recommends that Shareholders vote in favour of the issue of the Shares to Mr Richards for the reasons set out in the Explanatory Statement and on the basis that, in their opinion, the proposed issue of Shares:



- (i) will raise an additional \$60,000 for the Company which can be used to advance its Mofe Creek iron ore project;
- (ii) is fair and reasonable in the circumstances as it is on the same terms as the issue of Shares to non-related parties under the Placement; and
- (iii) will further align the interests of Mr Richards with those of Shareholders.

(l) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 9.

### 8.3 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a "related party" without the approval of holders of ordinary securities, or to a person whose relationship with the company or a related party of the company is, in ASX's opinion, such that approval should be obtained. Further, Listing Rule 7.2 (Exception 14) states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As a Director, Mr Richards is a related party of the Company within the definition specified in Listing Rule 19.12. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of the Shares under Resolution 9 to Mr Richards as a related party of the Company.

The issue of the Shares under Resolution 9 will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1, as those securities (once issued) will be excluded from the calculations under Listing Rule 7.1.

As required by Listing Rule 10.13, the following information is provided in relation to Resolution 9:

(a) **Name of the person**

Wayne Richards (and/or his nominee).

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

5,000,000 Shares.

(c) **Date by which the entity will issue the securities**

The Shares will be issued upon receipt of the subscription amount of \$60,000 from Mr Richards and, in any event, no later than 1 month after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Relationship that requires Shareholder approval**

Mr Richards is a related party of the Company by virtue of being a Director of the Company.

(e) **Issue price of the securities**

The issue price of the Shares will be \$0.012 each.

(f) **Terms of the issue**

The Shares will be issued to Mr Richards upon receipt of the subscription amount of \$60,000. The Shares to be issued to Mr Richards will rank equally in all respects with other Shares on issue.

(g) **Intended use of the funds raised**

The Company intends to use the funds raised from the issue of Shares to Mr Richards to advance its Mofe Creek iron ore project through continued drilling, metallurgical testwork and the initiation of a scoping study.

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**9. Resolution 10 – Issue of Placement Options to Canaccord Genuity (Australia) Limited**

**9.1 Background**

As announced on 11 October 2013, Canaccord Genuity (Australia) Limited (**Canaccord**) acted as lead manager to the Placement. Canaccord's role as lead manager was governed by a lead manager mandate (**Lead Manager Mandate**) under which the Company agreed to pay to Canaccord upon completion of the Placement:

- a cash fee of 6% (plus GST) of the amount raised under the Placement; and
- an Option fee of 10,000,000 Options with an exercise price at a 50% premium to the issue price under the Placement and an expiry date of 3 years from issue.

Accordingly, the Company is seeking Shareholder approval to the issue of the Placement Options in accordance with Listing Rule 7.1.

**9.2 Listing Rule 7.1**

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company during the previous 12 months (without approval and which were not subject to an exception), exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolutions 10 seeks the approval of the issue of 10,000,000 Placement Options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 10 is approved, the Placement Options will not be included in the Company's 15% calculation for the purposes of Listing Rule 7.1.

As required by Listing Rule 7.3, the following information is provided in relation to Resolution 10:

(a) **Name of the person to whom the entity will issue the securities**

Canaccord Genuity (Australia) Limited (and/or its nominee).

(b) **Maximum number of securities the entity is to issue**

10,000,000 Placement Options.

(c) **Date by which the entity will issue the securities**

The Placement Options will be issued as soon as practicable after the General Meeting and, in any event, no later than 3 months after the General Meeting (or such later date to the extent permitted by any waiver of the Listing Rules).

(d) **Issue price of the securities**

The Placement Options will be issued without payment of cash consideration as they are being issued as part of the fee payable to Canaccord under the Lead Manager Mandate.

(e) **Terms of the securities**

The terms of the Placement Options are set out in Annexure D.

(f) **Intended use of the funds**

There will be no funds raised in connection with the issue of the Placement Options under Resolution 10 as the Placement Options are to be issued without payment of cash consideration in accordance with the Lead Manager Mandate. The proceeds from a future exercise of the Placement Options, however, are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Placement Options at the discretion of the Board.

## Glossary

In this Notice and Explanatory Statement, the following terms have the following meanings:

<b>Annexure</b>	an annexure to the Explanatory Statement.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>Board</b>	the board of Directors.
<b>Chairman</b>	the chair of the General Meeting.
<b>Class A Performance Option</b>	an Option on the terms set out in Annexure A.
<b>Class B Performance Option</b>	an Option on the terms set out in Annexure A.
<b>Class C Performance Option</b>	an Option on the terms set out in Annexure A.
<b>Class A Incentive Option</b>	an Option on the terms set out in Annexure B.
<b>Class B Incentive Option</b>	an Option on the terms set out in Annexure B.
<b>Closely Related Party</b>	<p>a closely related party of a member of Key Management Personnel as defined in the Corporations Act, being:</p> <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of that member's spouse;</li><li>(c) a dependant of that member or of that member's spouse;</li><li>(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;</li><li>(e) a company that is controlled by that member; or</li><li>(f) any other person prescribed by the regulations.</li></ul>
<b>Company Secretary</b>	a company secretary of the Company.
<b>Constitution</b>	the constitution of the Company.
<b>Company</b>	Tawana Resources NL ACN 085 166 721.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	a director of the Company.

<b>Exempt Investor</b>	an investor to whom securities may be offered by the Company without disclosure in accordance with section 708 of the Corporations Act (excluding section 708(1)).
<b>Explanatory Statement</b>	the explanatory statement incorporated in the Notice.
<b>General Meeting</b>	the general meeting convened by the Notice.
<b>Incentive Option</b>	an Option on the terms set out in Annexure B.
<b>Key Management Personnel</b>	the key management personnel of the Company as defined in the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	the ASX Listing Rules published and distributed by ASX.
<b>Notice</b>	the notice of general meeting incorporating the Explanatory Statement.
<b>Performance Option</b>	an Option on the terms set out in Annexure A.
<b>Placement</b>	has the meaning given in Section 7.1.
<b>Placement Option</b>	an Option on the terms set out in Annexure D.
<b>Proxy Form</b>	the proxy form attached to the Notice.
<b>Option</b>	an option to acquire a Share.
<b>Optionholder</b>	a holder of an Option.
<b>Resolution</b>	a resolution contained in the Notice.
<b>Section</b>	a section contained in the Explanatory Statement.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of a Share.
<b>VWAP</b>	the volume weighted average price of Shares.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.

## Annexure A – Performance Options

- (a) **(Performance Options)** Each Performance Option is an option to acquire an ordinary share in the capital of Tawana Resources NL (**Company**).
- (b) **(Exercise Price)** The exercise price of each Performance Option is \$0.0001 however the Performance Options are not exercisable until they have vested.
- (c) **(General meetings)** The Performance Options shall not confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (d) **(No voting rights)** The Performance Options do not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (e) **(No dividend rights)** The Performance Options do not entitle the Holder to any dividends.
- (f) **(Rights on winding up)** The Performance Options will not participate in the surplus profits or assets of the Company upon winding up of the Company.
- (g) **(Not transferable)** The Performance Options are not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable Listing Rules at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Options will not be quoted on ASX. However, upon conversion of the Performance Options into fully paid ordinary shares (**Shares**), the Company must within 10 Business Days after the conversion, apply for the official quotation of the Shares arising from the conversion on ASX.
- (j) **(Participation in entitlements and bonus issues)** Holders of Performance Options will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (k) **(No other rights)** The Performance Options give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (l) **(Vesting on achievement of milestones)**

Vesting of the following types of Performance Options is subject to the following milestones:

- (i) **Class A Performance Options**

The Class A Performance Options will vest upon achievement of all of the following milestones (the Class A Performance Options **Milestone**) on or before 30 August 2014:

- (A) Completion of a drilling and metallurgy program to develop a JORC compliant resource (inferred and indicated) for Mofe Creek, complete with bulk samples for metallurgical testing and flowsheet/plant design criteria.

- (B) Completion of a capital raising of sufficient funds via equity placements and/or strategic investment/JV partnering arrangements to conclude the funding of the Mofe Creek scoping study and ensure sufficient funds are available for the continuance of the Project into a pre-feasibility study mode.
- (C) Completion of a scoping study for the Mofe Creek Project.
- (D) Commencement of necessary mining, logistics and environmental/community applications/agreements, to assist in the future development of the Mofe Creek Project.
- (E) Structuring of the Board and relevant committees to ensure ASX compliance and project execution capability.

(ii) **Class B Performance Options**

The Class B Performance Options will vest upon achievement of all of the following milestones (the Class B Performance Options **Milestone**) on or before 30 August 2015:

- (A) Completion of a pre-feasibility study for Mofe Creek.
- (B) Finalisation of the preferred Mofe Creek logistics business solution, including, but not limited to, ore trucking solutions and/or rail studies, port storage and loading facilities, trans-shipment or direct shipping solutions, and marketing.
- (C) Commencement of the mining lease application process and Environmental Protection Authority (**EPA**) approvals for Mofe Creek Project development.
- (D) Finalisation of the processing plant design criteria, including flowsheet, PFD's and equipment design and selection.
- (E) Completion of a strategic business plan outlining the plant throughput capacity, Project ramp-up, LOM plans and duration, along with Project financials (NPV, IRR, DCF, CAPEX, OPEX etc).
- (F) Development of a financial model reflective of the preferred Project funding methodologies to be deployed for the feasibility and definitive feasibility studies.
- (G) Undertake a strategic review and/or development plan on the development of a potential start-up Project for any DSO ore present (i.e. found) at Mofe Creek.
- (H) Completion of the environmental studies required to support the PFS and EPA applications.
- (I) Development of an indicated mine plan, mining schedule and mining methodology strategy with an upgrade in resource categorisation to indicated and measured.
- (J) Determine, target and/or secure funding for the PFS and FS depending upon the status of the Mofe Creek Project and the potential early start-up of a DSO operation.

(iii) **Class C Performance Options**

The Class C Performance Options will vest upon achievement of all of the following milestones (the Class C Performance Options **Milestone**) on or before 30 August 2016:

- (A) Selection and management of relevant engineering firms and logistics groups to design and structure the appropriate contractual and operational agreements to support the development of a definitive feasibility study.
  - (B) Completion of a feasibility study and commencement of a DFS and/or BFS (as defined by the Board).
  - (C) Completion of all metallurgical testwork, finalisation of a start-up mine plan/schedule and acknowledgement of all relevant mining approvals.
  - (D) Receipt of all licences required to mine, build and operate the mine and plant.
  - (E) Approval of necessary licences, land tenure and road access/operating agreements to transport ore from the mine to the nominated port/coastal location.
  - (F) Development of the contractual arrangements (commercial, financial, legal and operational) for the trans-shipment of ore via the preferred coastal destination.
  - (G) Approval of the Mofe Creek Mining Lease, EPA approval and relevant stakeholder (local village/local and state government) agreements to support the development of a DFS/BFS.
  - (H) Securement of adequate and optimal funding to progress the FS and the refinement of the financial model to support BFS/Project Development financing discussions.
  - (I) Structure, recruit and manage the required Project personnel.
- (m) **(Lapse)** If the relevant Milestone is not achieved by the required date or, subject to clause (p), if the Holder ceases to be engaged by the Company before the relevant Milestone is achieved, the relevant Performance Options will lapse.
- (n) **(Exercise procedure)** Subject to the Performance Options having vested, the Holder may exercise the Performance Options at any time on or before the expiry date (being the date that is 1 day after the date that the relevant Milestone must be achieved) by providing to the Company an exercise notice with the relevant exercise monies. The Company will issue the Holder with a new holding statement for the Shares within 10 Business Days following exercise.
- (o) **(Ranking upon exercise)** The Shares into which the Performance Options may convert will rank pari passu in all respects with existing Shares.
- (p) **(Vesting on Change of Control)** All unvested Performance Options will immediately vest and be exercisable if any of the following change of control events occur prior to the required date for achievement of the relevant Milestone and prior to the cessation of the Holder's engagement with the Company:



- (i) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (ii) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
- (iii) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

All Performance Options vesting under this clause will lapse unless that are exercised within 7 days of vestment.

## Annexure B – Incentive Options

### 1. General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 The Incentive Options will expire on 12 December 2016 (**Expiry Date**).
- 1.3 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.4 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.5 The exercise price of each Class A Incentive Option is \$0.015 and the exercise price of each Class B Incentive Option is 135% of the 30 day VWAP of Shares traded on the ASX as at the date of the Shareholders meeting at which the grant of Incentive Options is approved (**Exercise Price**).
- 1.6 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.7 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
  - (a) the option certificate for those Incentive Options for cancellation by the Company; and
  - (b) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.8 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.9 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.
- 1.10 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.
- 1.11 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.12 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.

- 1.13 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 1.14 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 1.15 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.16 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 1.17 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

## 2. **Lapse of Incentive Options**

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:
- (a) elect to be registered as the new holder of the deceased Incentive Optionholder's Incentive Options;
  - (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
  - (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as a director of the Company, or is removed from the Board of the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or removal.

2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:

- (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
- (c) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.

## Annexure C – Details of Managing Director’s remuneration

In accordance with ASX guidelines requiring listed entities to disclose the relevant terms of the Managing Director’s remuneration, Tawana reports the following relevant terms of its employment agreement with Lennard Kolff van Oosterwijk.

<b>Duration of Contract</b>	Ongoing until terminated by either party.
<b>Services</b>	Those services usually required of a Managing Director of a company the size and nature of Tawana.
<b>Remuneration</b>	<ol style="list-style-type: none"> <li>1. Executive salary of \$229,425 per annum inclusive of superannuation; and</li> <li>2. Director’s fee of \$40,000 per annum inclusive of superannuation.</li> </ol>
<b>Performance Related</b>	<ol style="list-style-type: none"> <li>1. A\$25,000 pre-tax cash bonus (inclusive of superannuation) following the completion of a successful capital raising during which the Company raises a minimum of \$2.5 million;</li> <li>2. A\$25,000 pre-tax cash bonus (inclusive of superannuation) upon the announcement of a JORC compliant resource at the Mofe Creek Iron Ore Project; and</li> <li>3. Upon the completion of a Scoping Study on the Mofe Creek Iron Ore Project, a performance bonus of 10,000,000 options to acquire ordinary fully paid shares in the Company (or other agreed instruments subject to taxation advice), with an exercise price equal to 135% of the 30 Day VWAP of shares traded on ASX on the date of the shareholders meeting at which the grant is approved, with an expiry date no less than three years from the date of issue.</li> </ol>
<b>Termination</b>	<p>The agreement provides that the Company may terminate the employment of Lennard Kolff van Oosterwijk by giving 6 months’ notice or payment in lieu of such notice.</p> <p>Similarly, in the event that Tawana is the subject of a successful takeover and where Len Kolff is not offered ongoing employment on terms and conditions no worse than his existing employment agreement, Len Kolff will be entitled to 6 months’ notice or payment in lieu of such notice.</p> <p>Len Kolff may terminate his employment with the Company by giving 3 months’ notice.</p>

## Annexure D – Placement Options

The terms and conditions of the Placement Options are as follows:

- (a) The Placement Options will be issued for nil consideration.
- (b) Each Placement Option entitles the holder (**Optionholder**) to subscribe for and be issued 1 fully paid ordinary share in the capital of the Company.
- (c) The Placement Options are exercisable at \$0.018 each (**Exercise Price**).
- (d) The Placement Options will expire on 12 December 2016 (**Expiry Date**).
- (e) Subject to clause (f), the Placement Options are exercisable at any time on or prior to the Expiry Date by notice in writing to the Company accompanied by payment of the Exercise Price multiplied by the number of Placement Options being exercised.
- (f) The issue of Shares upon the conversion of Placement Options will be subject to the Company obtaining any necessary shareholder approval for the purposes of item 7 of section 611 of the Corporations Act.
- (g) The Options may only be transferred with the prior written consent of the Board.
- (h) No application to ASX will be made for quotation of the Options.
- (i) All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then existing fully paid ordinary shares. The Company will apply to ASX for quotation of all Shares issued upon exercise of the Options.
- (j) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the term of the Options. However, if from time to time during the term of the Options the Company proposes to make an issue of new Shares to Shareholders, the Company will notify each Optionholder at least 6 Business Days before the record date for the proposed issue of Shares (or by any other time provided that the Company complies with the ASX Listing Rules). This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in the proposed issue of Shares to Shareholders.
- (k) If from time to time during the term of the Options the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves (**Bonus Issue**) then, upon exercise of their Options, Optionholders will be entitled to have issued to them (in addition to the Shares which would otherwise be issued to them upon such exercise) the number of Shares which would have been issued to them under that Bonus Issue (**Bonus Shares**) if, on the record date for the Bonus Issue, they had been registered as the holder of the number of Shares of which they would have been registered as holder if, immediately prior to that date, they had exercised their Options and the Shares the subject of such exercise had been issued to them. The Bonus Shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue will rank equally in all respects with the Company's then existing fully paid ordinary shares.
- (l) There is no right to a change in the Exercise Price or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than for a Bonus Issue referred to in clause (k)) during the term of the Options.

- (m) In the event of any reorganisation of the issued capital of the company during the term of the Options, the rights of an Optionholder will be changed to the extent necessary to comply with the Listing Rules.

7 November 2013

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd