



ACN 151 155 207

NOTICE OF 3rd ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday 21st November, 2013

Time of Meeting

11.00 a.m. (AEDT)

Place of Meeting

**Estrella Resources Limited
Level 7, 15 Castlereagh Street
SYDNEY NSW 2000**

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NOTICE OF 2013 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of the members of Estrella Resources Limited (“**the Company**”) will be held at the offices of Estrella Resources Limited at Level 7, 15 Castlereagh Street, Sydney on Thursday 21st November, 2013 commencing at 11.00 a.m. (AEDT).

BUSINESS:

ITEM 1: TO RECEIVE THE CONSOLIDATED FINANCIAL REPORT

To receive and consider the Consolidated Financial Report of the Company, together with the reports of the Directors and Auditor, for the financial year ended 30 June 2013.

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

ITEM 2: ORDINARY RESOLUTIONS:

Resolution 1: Adoption of Remuneration Report

“That the Shareholders adopt the Remuneration Report for the financial year ended 30 June 2013.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement:

In accordance with section 250R (4) of the Act, no member of the key management personnel of the Company or a closely related party of such a member may vote on Resolution 1.

However, in accordance with the Act, a person described above may vote on Resolution 1 if:

- It is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or*
- It is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides.*

Chairman appointed as proxy:

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1.

Resolution 2: To re-elect a Director – Mr Julian Bavin

“That, for the purposes of clause 15.3 of the Company’s Constitution and for all other purposes, Julian Bavin retires as a Director of the Company by rotation pursuant to the Company’s Constitution and, being eligible, is re-elected as a Director of the Company.”

ITEM 3: SPECIAL BUSINESS:

Resolution 3: Approve Issue of Options to the Non-Executive Chairman - Mr Gavin Solomon

“Subject to the passing of Resolutions 4, 5 and 6, that, for the purposes of Listing Rule 10.11 of the Australian Securities Exchange Listing Rules and for all other purposes, approval is hereby given for the grant, issue and allotment of 800,000 options over ordinary shares in the Company to the Non-executive Chairman, Mr Gavin Solomon, or his nominee, to acquire 800,000 fully paid ordinary shares in the Company at an exercise price of \$0.35 each and expiring 21 November 2018, on the terms and conditions set out in the Explanatory Memorandum and Annexure A.”

Note: Quotation of the options on the ASX will not be sought.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 3 (Issue of Options to a Director) by Mr Solomon and by an associate of Mr Solomon excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

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Resolution 4: Approve Issue of Options to a Non-executive Director - Mr Simon Kidston

“Subject to the passing of Resolutions 3, 5 and 6, that, for the purposes of Listing Rule 10.11 of the Australian Securities Exchange Listing Rules and for all other purposes, approval is hereby given for the grant, issue and allotment of 600,000 options over ordinary shares in the Company to the Non-executive Director, Mr Simon Kidston, or his nominee, to acquire 600,000 fully paid ordinary shares in the Company at an exercise price of \$0.35 each and expiring 21 November 2018, on the terms and conditions set out in the Explanatory Memorandum and Annexure A.”

Note: Quotation of the options on the ASX will not be sought.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 4 (Issue of Options to a Director) by Mr Kidston and by an associate of Mr Kidston excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

Resolution 5: Approve Issue of Options to a Non-executive Director - Mr Julian Bavin

“Subject to the passing of Resolutions 3, 4 and 6, that, for the purposes of Listing Rule 10.11 of the Australian Securities Exchange Listing Rules and for all other purposes, approval is hereby given for the grant, issue and allotment of 600,000 options over ordinary shares in the Company to the Non-executive Director, Mr Julian Bavin, or his nominee, to acquire 600,000 fully paid ordinary shares in the Company at an exercise price of \$0.35 each and expiring 21 November 2018, on the terms and conditions set out in the Explanatory Memorandum and Annexure A.”

Note: Quotation of the options on the ASX will not be sought.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 5 (Issue of Options to a Director) by Mr Bavin and by an associate of Mr Bavin excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

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However, the Company need not disregard a vote if:

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

Resolution 6: Approve Issue of Options to the Managing Director – Dr Jason Berton

“Subject to the passing of Resolutions 3, 4 and 5, that, for the purposes of Listing Rule 10.11 of the Australian Securities Exchange Listing Rules and for all other purposes, approval is hereby given for the grant, issue and allotment of 1,000,000 options over ordinary shares in the Company to the Managing Director, Dr Jason Berton, or his nominee, to acquire 1,000,000 fully paid ordinary shares in the Company at an exercise price of \$0.35 each and expiring 21 November 2018, on the terms and conditions set out in the Explanatory Memorandum and Annexure A.”

Note: Quotation of the options on the ASX will not be sought.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 6 (Issue of Options to a Director) by Dr Berton and by an associate of Dr Berton excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

Resolution 7: Approve Amendment of Existing Options Previously Granted to the Managing Director – Dr Jason Berton

“That, for the purposes of Listing Rule 6.23.4, Chapter 2E of the Corporations Act and for all other purposes, approval is given to amend the terms of the 3,000,000 options issued to Dr Jason Berton (or his nominee) on 12 September 2011, by amending the vesting criteria on the terms as set out in Annexure B.”

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Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 7 (Amendment of Options Terms of a Director) by Dr Berton and by an associate of Dr Berton excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

Resolution 8: Approve Amendment of Existing Options Previously Granted to the General Manager of Chile – Juan Pablo Vargas de la Vega

“That, for the purposes of Listing Rule 6.23.4, Chapter 2E of the Corporations Act and for all other purposes, approval is given to amend the terms of the 500,000 options issued to Juan Pablo Vargas de la Vega (or his nominee) on 12 September 2011, by amending the vesting criteria as set out in Annexure B”.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 8 (Amendment of Options Terms of a Closely Related Party) by Mr Vargas de la Vega and by an associate of Mr Vargas de la Vega excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

SPECIAL RESOLUTION

To consider and, if thought fit, to pass the following Resolution 9 as a **special resolution**.

Resolution 9: Approval for Additional Placement Capacity

“That, pursuant to and in accordance with ASX Listing 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued ordinary capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- 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*
- 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.*

Resolution 10: Ratification of Share placement

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 9,500,000 Shares to selected sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 10 by any person who participated in the issue of the Shares, or any associate of such a person.

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form; or*
- if it is cast by the Chairman of the Meeting as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form.*

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ITEM 4: OTHER BUSINESS

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

Further information in relation to these resolutions is set out in the Explanatory Memorandum below.

PROXIES

To be effective, the proxy form and the power of attorney or other authority (if any) under which each is signed (or a copy of that power or authority certified in a manner acceptable to the Directors of the Company) must be received at least 48 hours prior to the meeting (i.e. not later than 11.00 a.m. on Tuesday 19th November 2013), or to any adjourned meeting, at the Company's Share Registrars being:

Boardroom Pty Limited

Hand Delivery:

Level 7, 207 Kent Street
Sydney NSW 2000

By Mail:

GPO Box 3993
Sydney NSW 2001

By Facsimile:

(02) 9290 9655

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. Unless under Power of Attorney (which should have been noted by the Company) a proxy form by a corporation should be executed under its common seal or in accordance with the Corporations Act.

Dated at Sydney this 16th day of October, 2013

BY ORDER OF THE BOARD



Justin B Clyne
Company Secretary

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EXPLANATORY MEMORANDUM

These explanatory notes set out information in connection with the business to be considered at the Estrella Resources Limited Annual General Meeting.

ORDINARY BUSINESS

The following items of ordinary business will be considered at the meeting.

ITEM 1: TO RECEIVE THE CONSOLIDATED FINANCIAL REPORT

This item of business relates to the receipt and adoption of the Company's Financial Report for the period ended 30 June 2013 and to the receipt of the Directors' and Auditor's Reports. These documents will be tabled by the Chairman of the meeting and do not require a formal resolution.

ITEM 2: Resolution 1: Adoption of Remuneration Report

The Corporations Act ("**the Act**") requires that a resolution be put to the members to adopt the Remuneration Report as disclosed in the Director's Report. The vote on this resolution is advisory only and non-binding. The resolution gives the members the opportunity to ask questions or make comments concerning the remuneration report during the meeting.

The Remuneration Report is set out on pages 36 to 42 of the Company's Annual Report for the year ending 30 June 2013 which was lodged with the ASX on or about the date of this Notice. The Remuneration Report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for the Directors and key executives of the Company.

Section 250R (2) of the Act stipulates that the Company must propose a resolution to the Shareholders that the Remuneration Report be adopted. The outcome of the resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting at which the Directors review the Company's remuneration policies.

At the Meeting, the Chairman must allow a reasonable opportunity for the Shareholders at the Meeting, as a whole, to ask questions about or make comments on the management of the Company or the Remuneration Report.

Under recent amendments to the Act:

- the Company is required to disregard any votes cast on this Resolution by any member of the "Key Management Personnel" ("**KMP**") of the Company and their closely related parties, except as directed by any proxies; and
- a 'two-strike' process in relation to the advisory and non-binding vote on the remuneration report has been introduced. Under the two-strike process if, at two consecutive AGMs, at least

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25% of votes cast on a resolution that the remuneration report be adopted are against the adoption of the report, at the second of these AGMs, there must be put to the vote a resolution that another meeting be held within 90 days at which all Directors (except the Managing Director) who were Directors when the 25% 'no' vote was passed must stand for re-election.

KMP are people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include Directors. "Closely related parties" include certain family members and dependents of KMP and companies they control.

2012 AGM result

At the 2012 AGM, the Company did not receive a 'strike' in respect of the remuneration report. That is, only 1.6% of the votes cast on the resolution considering the remuneration report were cast against the adoption of the report. It follows that, if the Company receives a 'strike' at the Meeting, this would be the 'first strike' for the purposes of section 250U of the Act.

Chairman as proxy

It is very important that the Shareholders appointing the Chairman as their proxy clearly indicate on the attached proxy form the way the Chairman must vote their proxy on Resolution 1. Otherwise, if the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1 and the Shareholder does not indicate on their proxy form the way the Chairman must vote, the Chairman will vote that proxy in favour of Resolution 1. Please see the proxy form attached to the Notice for further information.

Recommendation

Noting that each Director of the Company has a personal interest in their own remuneration the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

Resolution 2: Re-election of a Director – Mr Julian Bavin

Julian Bavin was appointed as a Director of the Company with effect from 6 March 2012, to fill a casual vacancy on the Board and was re-elected at the Company's 2012 AGM however. As all 3 non-executive directors were re-elected at last year's AGM, one director must stand for re-election, and Mr Bavin, being eligible, offers himself for re-election.

Julian Bavin is an independent director of Estrella who was educated at the University of Leicester, the Royal School of Mines and London Business School. He has 30 years of technical, operational and commercial experience in mineral exploration gained from work in a wide range of commodities, jurisdictions and cultures most of which was spent with the Rio Tinto Group in South America, Australia, Indonesia and Europe. From 2001 to 2009 he was responsible for the Rio Tinto exploration in South America and the teams which identified the potential in a range of projects now in various stages of feasibility including the PRC potash and Altar copper/gold projects in Argentina, the Mina

Justa, Constancia and La Granja copper projects in Peru, and the Amargosa bauxite project in Brazil. Mr Bavin is also a Director and CEO of Pan Global Resources and a non-executive Director of Exeter Resource Corporation and Prism Resources. Mr Bavin holds a Bachelor of Science and a Masters of Science and is a Fellow of the SEG.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of Mr Bavin's re-election as a Director of the Company.

SPECIAL BUSINESS

The following items of special business will be considered at the meeting.

ITEM 3: Resolutions 3 to 6: **Issue of Options to Directors**

Resolutions 3 to 6 inclusive are to consider the issue of options to the Company's Directors involved in the operation and management of the business and were announced to the ASX in the Company's quarterly activities report lodged 30 April 2013 and, subject to shareholder approval, for the Company to issue certain options for nil consideration to these Directors.

Resolutions 3 to 6 inclusive are each contingent upon all of these Resolutions being approved by shareholders. For clarity, if any of Resolutions 3 to 6 inclusive is not approved by shareholders then all of Resolutions 3 to 6 is deemed not to have passed. For example, if Resolutions 3, 4 and 5 are passed but Resolution 6 fails then all 4 Resolutions are deemed not to have passed.

Pursuant to and in accordance with ASX Listing Rule 10.13 the following information is provided in relation to Resolutions 3 to 6:

- The maximum number of options to be issued is 3,000,000;
- The exercise price per option is A\$0.35 being a 133% increase above the current market price per Estrella share of A\$0.15 as at the date hereof;
- The options will be issued and allotted within one month of shareholder approval being on or before 21 December 2013; and
- No funds will be raised from the issue of the options however, upon exercise of the options the funds raised will be used for exploration and working capital purposes.

As provided in Exception 14 to Listing Rule 7.2, if shareholder approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1. The options are subject to the terms contained within Annexure A.

Resolutions 7 and 8: Amendment to Existing Management Options

These Resolutions were announced to the ASX in the Company's quarterly activities report lodged 30 April 2013 wherein the background to Resolutions 7 and 8 was stated as follows:

"...The Board will be proposing resolutions to shareholders at the next EGM/AGM to retrospectively vary the terms of the options currently on issue to the Managing Director (Australia) and General Manager (Chile) to delete one term of the vesting criteria which specifically relates to vesting subject to the need to obtain a JORC Inferred Resource for the Company within 12 months of its IPO. The change will be sought retrospectively as the Company does not wish to incur the expenditure of having to call an EGM solely for this purpose when there are higher priorities for which Shareholders funds can be used, primarily exploration.

The reasoning behind such resolutions to delete these vesting criteria is as follows:

- 1. The corporate and exploration strategy of the Company has changed significantly since the IPO in May 2012.*
- 2. The Board believes that the vesting conditions of options for key employees in charge of exploration should reflect the current corporate strategy of the Company and aligned with maximising shareholder returns.*
- 3. The Board no longer feels it is appropriate to include a vesting criteria on the options granted to both the Managing Director and General Manager which includes the requirement for them to obtain a "... JORC Inferred Resource for the Company within 12 months of its IPO that must be not less than 100,000 tonnes of contained metal copper and/or 150,000 ounces of gold..." Such a requirement is contained in clause v. (c) of their respective, existing options, the full terms of which were released to the ASX on 8 May 2012 as part of the Company's pre quotation disclosure.*
- 4. In light of the recent acquisition of Project Altair including the Colupo, Dania and Ivannia prospects, the Board believes that the Company's funds, time and effort are most appropriately directed towards Project Altair which is a large expanse of prospective tenements and focus on a strategy that has the greatest likelihood of delivering the maximum return for shareholders.*

Your Board believes that focusing our limited shareholders' funds to delivering a relatively modest JORC resource at this present time without considering the Company's overall strategy would not be in the best interests of all shareholders.

The purpose of the resolutions to be put to shareholders at the next EGM/AGM will be for shareholders to approve a change to the options vesting terms to remove the JORC Resource

requirement (sub-clause v (c)) however all other vesting criteria including requiring each of the Managing Director and General Manager to remain employees at the time of vesting will remain in place...”

The purpose of Resolutions 7 and 8 to be put to shareholders at this year’s AGM is for shareholders to approve a change to the option vesting terms to retrospectively remove the “JORC Resource” requirement in clause (v) (c) of each Management Option however the vesting criteria requiring each of the Managing Director and General Manager to remain employees at the time of vesting to still remain. Please note that the option vesting requirements in clauses (v) (a) and (v) (b) have already been satisfied. If shareholders approve the resolution then all of Dr Berton’s and Mr Vargas de la Vega’s options can be exercised at any time from the date of such approval until their expiry.

Recommendation

The Directors, other than Dr Berton, recommend that shareholders vote in favour of Resolution 7 and the Directors unanimously recommend that shareholders vote in favour of Resolution 8.

Resolution 9: Approval for Additional Placement Capacity

General

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

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Company may use the 10% Placement Facility to acquire new resource assets or investments, for further exploration work on its current tenements and/or for working capital.

Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has only one class of quoted Equity Securities, Ordinary Shares.

(c) Formula for calculating 10% Placement Facility

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

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

A is the number of shares on issue 12 months before the date of issue or agreement. Pursuant to Listing Rule 7.1B.4 this number is 87,101,000:

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

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

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

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

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

D is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

As at the date of this Notice, the Company has on issue 96,601,000 Shares and therefore has a capacity to issue:

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- (i) 14,015,150 Equity Securities (assuming ratification of the placement is obtained under resolution 10 - less the 475,000 options for which ratification is not sought) under Listing Rule 7.1; and
 - (ii) subject to Shareholder approval being sought under Resolution 9, a further 9,660,100 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) Minimum Issue Price

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

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

(f) 10% Placement Period

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

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

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

Listing Rule 7.1A

The effect of Resolution 9 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is a special resolution and therefore requires approval of 75% of the votes

cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 9 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future

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specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution	Dilution	Dilution
		\$0.075 50% decrease in Issue Price	\$0.15 Issue Price	\$0.30 100% increase in Issue Price
Current Variable 'A' 96,601,000 Shares	10% voting dilution	9,660,100 Shares	9,660,100 Shares	9,660,100 Shares
	Funds raised	\$724,507	\$1,449,015	\$2,898,030
50% increase in current Variable 'A' 144,901,500	10% voting dilution	14,490,150 Shares	14,490,150 Shares	14,490,150 Shares
	Funds raised	\$1,086,761	\$2,173,522	\$4,347,045
100% increase in current Variable 'A' 193,202,000	10% voting dilution	19,320,200 Shares	19,320,200 Shares	19,320,200 Shares
	Funds raised	\$1,449,015	\$2,898,030	\$5,796,060

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.

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- (vii) The issue price is \$0.15, being the closing price of the Shares on ASX on 14 October, 2013.

 - (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 9 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

 - (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

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

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

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

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

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

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2012 AGM. In the past 12 months the Company has not issued any shares pursuant to that approval however, pursuant to Listing Rule 7.1 it has issued 9,500,000 shares and 475,000 options on 3 October, 2013. The only other securities issued outside of Listing Rules 7.1A and 7.1 by the Company in the past 12 months were 450,000 unlisted options issued pursuant to exception 9 of Listing Rule 7.2 (ESOP securities) which were announced to the ASX on 30 April 2013.

Date of issue:	(i) 30 April 2013 (ii) 3 October 2013 (iii) 3 October 2013
Number issued:	(i) 450,000 (ii) 9,500,000 (iii) 475,000
Class/Type of equity security:	(i) Unlisted options (ii) Fully paid ordinary shares (iii) Unlisted options
Summary of terms:	(i) As per the Appendix 3B lodged 30 April 2013 (ii) As per the Appendix 3B lodged 3 October 2013 (iii) As per the Appendix 3B lodged 3 October 2013
Names of persons who received securities or basis on which those persons was determined:	(i) Various employees (ii) New and institutional investors (iii) Parties associated with the placement announced 24 September 2013
Price:	(i) Nil acquisition price but exercise price of \$0.35 each (ii) \$0.10 per shares (iii) Nil. Issued as part payment of fees associated with capital raising
Discount to market price (if any):	(i) Not applicable (ii) \$0.01 discount to trading

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	price prior to announcement (iii) Not applicable
<i>For cash issues</i>	
Total cash consideration received:	(i) Not applicable (ii) \$950,000 (iii) Not applicable
Amount of cash consideration spent:	(i) Not applicable (ii) Nil as yet (iii) Not applicable
Use of cash consideration:	(i) Not applicable (ii) Exploration at various prospects within Project Altair and general working capital (iii) Not applicable
Intended use for remaining amount of cash (if any):	(i) Not applicable (ii) Exploration at various prospects within Project Altair and general working capital (iii) Not applicable
<i>For non-cash issues</i>	
Non-cash consideration paid:	(i) Not applicable (ii) Not applicable (iii) Not applicable
Current value of that non-cash consideration:	(i) Refer 2013 statutory accounts (ii) Not applicable (iii) Refer half year accounts to 31 December 2013 when lodged

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Recommendation

The Directors of the Company believe that Resolution 9 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 10: Ratification of Share placement

Background

On 3 October this year, the Company completed a placement to selected sophisticated and professional investors (as defined in section 708 of the Act) to raise A\$950,000 through the issue of 9,500,000 Shares. The sophisticated and professional investors who have been issued Shares as part of this Placement are not related parties of the Company.

The prior approval of Shareholders was not required in respect of the Placement as it did not exceed the 15% Restriction imposed upon listed companies by Listing Rule 7.1.

Listing Rule 7.4 provides that if the Placement is ratified by Shareholders, the Company will again have the flexibility to issue further securities without Shareholder approval within the 15% Restriction over the next 12 month period.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of opportunities that may arise.

Information for Shareholders in accordance with Listing Rule 7.4

The following information is provided in relation to Resolution 10 in accordance with Listing Rule 7.5:

Number of securities allotted: The Placement consisted of the issue and allotment of 9,500,000 Shares.

Issue price: Each Share was issued at a price of A\$0.10.

Term of the securities: The Shares issued under the Placement rank equally with the existing Shares on issue.

Allottees: The Shares were issued to selected sophisticated and professional investors, as defined in section 708 of the Act, who are not related parties of the Company.

Intended use of funds: The Company intends to use the funds raised primarily for the exploration of various prospects within Project Altair and also for general working capital purposes.

Recommendation

The Board unanimously recommends that the Shareholders approve Resolution 10 as each Director intends to do with regard to their own shareholdings in the Company.

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ANNEXURE "A" - TERMS OF UNLISTED OPTIONS FOR RESOLUTIONS 3 TO 6 INCLUSIVE

Subject to the above, each Unlisted Options has the following terms and conditions:

- (a) Each Unlisted Option entitles the Unlisted Optionholder to acquire one (1) ordinary fully paid share in the Company (**Share**);
- (b) The Unlisted Options are exercisable at any time on or prior to 5.00 pm (AEST) on 21 November 2018 (time being of the essence) (**Unlisted Option Exercise Period**) by completing an Option Exercise Form and delivering it together with the payment for the number of Shares in respect of which the Unlisted Options are exercised to the registered office of the Company or to the share registry of the Company;
- (c) Each Unlisted Option exercise price is A\$0.35 and is subject to the re-organisation of the Company's capital as per clauses (h) and (i) below (**Option Exercise Price**);
- (d) Unlisted Options are freely transferable in whole or part at any time prior to the Unlisted Option Exercise Period;
- (e) Shares issued on the exercise of the Unlisted Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys;
- (f) Shares allotted pursuant to the exercise of an Unlisted Option will rank equally with the then issued ordinary shares of the Company in all respects and, if the Company has listed on the ASX, the Company undertakes to seek quotation on the ASX of the Shares;
- (g) Unlisted Optionholders shall be entitled to participate in all new issues of securities in the Company upon the prior exercise of Unlisted Options in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the new issue) to exercise their Unlisted Options;
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Unlisted Optionholder will be changed/varied to the extent necessary to comply with the Corporations Act and/or the ASX Listing Rules (if applicable) applying to the reconstruction of capital at the time of the reconstruction;
- (i) Unlisted Optionholders shall be entitled to participate in all take-over offer(s) for the Company prior to the exercise of Unlisted Options in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the take-over offer) to exercise their Unlisted Options;
- (j) If there is a bonus issue to Shareholders of the Company, the number of Shares over which the Unlisted Option is exercisable will be increased by the number of Shares which the

holder of the Unlisted Option would have received if the Unlisted Option had been exercised before the record date for the bonus issue;

- (k) The Company will issue written reminder notices to the Unlisted Optionholder at least fourteen (14) business days prior to the expiry of the Unlisted Option Exercise Period;
- (l) Unlisted Options not exercised before the expiry of the Unlisted Option Exercise Period will lapse;
- (m) The Unlisted Options will be recorded on the Company's register of Optionholders maintained at the Company's share registry. The register will be open for inspection by an Unlisted Optionholder free of charge. Shares to be allotted on exercise of Unlisted Options will be recorded on the Company's share register;
- (n) The Company will not make an application for Official Quotation of the Unlisted Options on ASX (if the IPO takes place prior to the exercise of the Unlisted Options);
- (o) The Unlisted Optionholder, if appearing on the Company's register of Optionholders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders of the Company in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings; and
- (p) The Unlisted Optionholder has:
 - a. No right to any dividend prior to converting into ordinary Shares;
 - b. No right to vote until converted into ordinary Shares;
 - c. No right to participate in the surplus profits or assets of the Company upon a winding up; and

The right to attend any general meeting of the Company but, not to vote or to move or second any resolution or speak in any meeting except in a resolution which directly affects any of the rights, privileges or conditions attaching to the unlisted options or the exercise and enjoyment of such rights, privileges or conditions, in the event of which each Unlisted Option shall confer on its holder one vote on a show of hands and one vote on a poll.

ANNEXURE "B" - TERMS OF UNLISTED OPTIONS FOR RESOLUTIONS 7 and 8
(PROPOSED CHANGES HIGHLIGHTED)

Notwithstanding anything contained herein to the contrary it is agreed as follows:

- i. None of the Unlisted Options shall be vested to the Unlisted Optionholder as at the date hereof;
- ii. The Unlisted Options shall be vested to the Unlisted Optionholder (**Vested Unlisted Options**) in three (3) tranches (**Tranches**), provided that Jason Robert Berton is a full time employee of the Company as at each respective vesting date (**Vesting Dates**) as follows:

Tranche	No. of Unlisted options	Vesting Dates
Tranche 1	1,000,000	Earlier of: <ul style="list-style-type: none"> • 12 September 2012; or • The date of the initial public offering (IPO) of the Company for quotation on the Australian Securities Exchange Limited (ASX).
Tranche 2	1,000,000	12 March 2013
Tranche 3	1,000,000	12 September 2013

- iii. For clarity, Jason Robert Berton must be a full time employee of the Company as at date of each Vesting Date prior to the Unlisted Optionholder having any legal and beneficial ownership to the respective Tranche 1, Tranche 2 and/or Tranche 3 Unlisted Options in accordance with the table above;
- iv. For clarity, if Jason Robert Berton is not a full time employee of the Company as at the date of any one or more of the above Vesting Dates then the Unlisted Optionholder shall have nil legal and/or beneficial ownership to the unvested respective Tranche 1, Tranche 2 and/or Tranche 3 Unlisted Options and, as such, the then unvested Unlisted Options shall not be issued by the Company and shall be of nil force and effect;
- v. Notwithstanding the above, the Unlisted Optionholder may only exercise its rights in relation to Vested Unlisted Options if each of the following conditions are met:
 - a. The Company's IPO must occur by 15 February 2013 (already satisfied); **and**
 - b. The Company must secure at least 1 copper or gold mining project in Chile or elsewhere in South America (in addition to the existing Luna Project in Chile) (already satisfied); **and**

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~~c. The JORC Inferred Resource for the Company within 12 months of its IPO must be not less than 100,000 tonnes of contained metal copper and/or 150,000 ounces of gold.~~

- vi. In the event of successful completion of a takeover offer for all securities in the Company then it is agreed that all unvested Unlisted Options shall vest immediately to the Unlisted Optionholder absolutely; and
- vii. All Unlisted Options may be subject to the escrow restrictions as required by the ASX Listing Rules and the Unlisted Optionholder undertakes to enter into all such restriction agreements in relation to all Unlisted Options (including Unlisted Options which may or may not have vested to the Unlisted Optionholder as set out above).

Subject to the above, each Vested Unlisted Options has the following terms and conditions:

- (a) Each Unlisted Option entitles the Unlisted Optionholder to acquire one (1) ordinary fully paid share in the Company (**Share**);
- (b) The Unlisted Options are exercisable at any time on or prior to 5.00 pm (AEST) on the **12th September 2014** (time being of the essence) (**Unlisted Option Exercise Period**) by completing an Option Exercise Form and delivering it together with the payment for the number of Shares in respect of which the Unlisted Options are exercised to the registered office of the Company or to the share registry of the Company;
- (c) Each Unlisted Option exercise price is equal to the higher of (i) A\$0.25 or (ii) a 20% premium to the issue price of the Company's shares on the IPO of the Company for quotation on the ASX (in the event of an IPO) and, in either case, is subject to the re-organisation of the Company's capital as per clauses (h) and (i) below (**Option Exercise Price**). For clarity, in the event the IPO has not taken place prior to the exercise of the Unlisted Option then the exercise price shall be A\$0.25;
- (d) Unlisted Options are freely transferable in whole or part at any time prior to the Unlisted Option Exercise Period;
- (e) Shares issued on the exercise of the Unlisted Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys;
- (f) Shares allotted pursuant to the exercise of an Unlisted Option will rank equally with the then issued ordinary shares of the Company in all respects and, if the Company has listed on the ASX, the Company undertakes to seek quotation on the ASX of the Shares;
- (g) Unlisted Optionholders shall be entitled to participate in all new issues of securities in the Company upon the prior exercise of Unlisted Options in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the new issue) to exercise their Unlisted Options;

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- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Unlisted Optionholder will be changed/ varied to the extent necessary to comply with the Corporations Act and/or the ASX Listing Rules (if applicable) applying to the reconstruction of capital at the time of the reconstruction;
 - (i) Unlisted Optionholders shall be entitled to participate in all take-over offer(s) for the Company prior to the exercise of Unlisted Options in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the take-over offer) to exercise their Unlisted Options;
 - (j) If there is a bonus issue to Shareholders of the Company, the number of Shares over which the Unlisted Option is exercisable will be increased by the number of Shares which the holder of the Unlisted Option would have received if the Unlisted Option had been exercised before the record date for the bonus issue;
 - (k) The Company will issue written reminder notices to the Unlisted Optionholder at least fourteen (14) business days prior to the expiry of the Unlisted Option Exercise Period;
 - (l) Unlisted Options not exercised before the expiry of the Unlisted Option Exercise Period will lapse;
 - (m) The Unlisted Options will be recorded on the Company's register of Optionholders maintained at the Company's share registry. The register will be open for inspection by an Unlisted Optionholder free of charge. Shares to be allotted on exercise of Unlisted Options will be recorded on the Company's share register;
 - (n) The Company will not make an application for Official Quotation of the Unlisted Options on ASX (if the IPO takes place prior to the exercise of the Unlisted Options);
 - (o) The Unlisted Optionholder, if appearing on the Company's register of Optionholders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders of the Company in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings; and
 - (p) The Unlisted Optionholder has:
 - a. No right to any dividend prior to converting into ordinary Shares;
 - b. No right to vote until converted into ordinary Shares;
 - c. No right to participate in the surplus profits or assets of the Company upon a winding up; and

The right to attend any general meeting of the Company but, not to vote or to move or second any resolution or speak in any meeting except in a resolution which directly affects any of the rights, privileges or conditions attaching to the unlisted options or the exercise and enjoyment of such rights, privileges or conditions, in the event of which each Unlisted Option shall confer on its holder one vote on a show of hands and one vote on a poll.

[End of Notice]

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