

# PERPETUAL RESOURCES LIMITED

ABN 82 154 516 533

## NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

For the Annual General Meeting to be held:

at **11.00 am**

on **Monday, 30 November 2015**

at the offices of Perpetual Consulting Group Pty Ltd, **Suite 2, Level 17, 499 St Kilda Road, Melbourne VIC 3004**

In this document you will find:

1. Notice of Meeting.
2. An Explanatory Statement containing an explanation of, and information about, the proposed resolutions to be considered at the Annual General Meeting.
3. Proxy Form.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Perpetual Resources Limited (**Company**) will be held at **11.00am on Monday, 30 November 2015** at Perpetual Consulting Group Pty Ltd, **Suite 2, Level 17, 499 St Kilda Road, Melbourne VIC 3004**.

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

### AGENDA

#### 1 Discussion of Annual Report

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To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2015.

**Note:** there is no requirement for shareholders to approve these reports and financial statements.

#### 2 Resolution 1: Adoption of Remuneration Report

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

*"That for the purposes of section 250R(2) of the Corporations Act, the remuneration report (which forms part of the Directors' report for the year ended 30 June 2015) is adopted".*

**Note:** Although section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors, there are potentially serious consequences associated with a "No" vote greater than 25%. Please see section 2 of the Explanatory Statement for details.

**Voting Exclusion:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company or, if the company is part of a consolidated entity, for the entity.

#### 3 Contingent Resolution 2: Spill Motion

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**Condition for Resolution 2: Resolution 2 will only be considered at the Annual General Meeting if at least 25% of the votes cast in respect of Resolution 1 are cast against that resolution. The Explanatory Statement further explains the circumstances in which Resolution 2 will be put to the meeting.**

If the condition (described above) is satisfied, to consider and, if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*"That, as required by the Corporations Act:*

- (a) *another meeting of the Company's members be held within 90 days of the date of the 2015 Annual General Meeting (the **Spill Meeting**);*
- (b) *all of the Directors in office when the Board resolution to make the directors' report for the financial year ended 30 June 2015 was passed, excluding the Company's Managing Director, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the Spill Meeting."*

**Voting Exclusion:** A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 2 if:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company or, if the company is part of a consolidated entity, for the entity.

#### **4 Resolution 3: Re-election of Ross Hastings**

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

*“That, for the purpose of clause 13.3(a) of the Constitution and for all other purposes, Mr Ross Hastings, retires, and being eligible, is re-elected as a Director.”*

#### **5 Resolution 4: Subsequent approval of issue of Shares**

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

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, the allotment and issue of 6,000,000 Shares to various sophisticated investors on the terms set out in the Explanatory Statement is subsequently approved.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons, except where the votes are cast: (a) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or (b) 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.

By order of the Board

Mark Caruso

Chair

**26 October 2015**

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## PROCEDURAL NOTES

These notes form part of the Notice of Meeting.

### 1 **Determination of Shareholders' Right to Vote**

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In accordance with regulations 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Company's share register as at 7.00pm on Thursday, 26 November 2015.

### 2 **Appointment of Proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. You may appoint the Chair of the meeting or someone else.

Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then each proxy may exercise one-half of the votes.

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

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

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Shareholders;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

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

### 3 **Bodies Corporate**

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A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

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The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

#### **4 Incorporation of Explanatory Statement**

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The Explanatory Statement attached to this Notice of Meeting, is hereby incorporated into and forms part of this Notice of Meeting.

#### **5 Questions from Shareholders**

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At the Annual General Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions in relation to the Resolutions to be put to the meeting.

In addition, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Nicholas Benbow of William Buck Corporate Finance Pty Ltd as the auditor responsible for preparing the auditor's report for the year ended 30 June 2015 (or his representative) will attend the Annual General Meeting. The Chair will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

## EXPLANATORY STATEMENT

This information forms part of the Notice of Meeting. The main purpose of this Explanatory Statement is to provide Shareholders with information concerning the Resolutions.

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### 1 Financial report and the reports of the Directors and Auditor

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The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity to raise questions on all these reports at the meeting.

### 2 Resolution 1: Remuneration Report

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#### 2.1 Background

The Annual Report for the year ended 30 June 2015 contains a Remuneration Report (refer to pages 7 to 10 of the Annual Financial Report) which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for Directors.

The Corporations Act (under section 250R) requires the agenda for an annual general meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “**spill resolution**”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must go up for re-election.

At the 2014 AGM, 27% of votes that were cast were voted against the adoption of the Remuneration Report.

The Remuneration Report:

- (a) describes the policy behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company’s performance;
- (b) sets out the remuneration arrangements in place for each Director; and
- (c) explains the differences between the basis for remunerating Non-Executive Directors and executives of the Company.

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

#### 2.2 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 1.

The Chair will be casting undirected proxy votes held by him in favour of Resolution 1, except for any proxies, undirected or otherwise, from key management personnel which are restricted.

### 3 Contingent Resolution 2: Spill Motion

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#### 3.1 Introduction

Resolution 2 will only be put to a vote if at least 25% of the votes on Resolution 1 (Remuneration Report) are cast against the adoption of the Remuneration Report. This would constitute a “second strike” for the Company and Resolution 2 will be put to the Annual General

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Meeting and voted on as required by section 250V of the Corporations Act (the **Spill Resolution**).

If less than 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report at the Meeting, then there will be no second strike and Resolution 2 will not be put to the meeting.

If put, the Spill Resolution will be considered as an ordinary resolution.

If the Spill Resolution is passed, it will be necessary for the Company to convene a further general meeting within 90 days ("**Spill Meeting**") to consider the composition of the board.

If a Spill Resolution is passed, section 250W provides (amongst other things) that:

- (a) the Company must hold the Spill Meeting within 90 days after the Spill Resolution was passed, but need not hold the Spill Meeting if, before the end of the 90 days, none of the Company's directors described in section 250V (1) (b) (namely the Spill Directors) remain as directors of the Company; and
- (b) all of the Company's directors described in section 250V(1)(b) cease to hold office immediately before the end of the Spill Meeting and the directors appointed by the Spill Meeting commence to hold office at the end of that meeting.

At last year's AGM 27.27% of the votes cast in respect of the resolution to adopt the 2014 Remuneration Report were voted "against" that resolution. Therefore, if at this year's AGM the votes "against" the adoption of the 2015 Remuneration Report (Resolution 1) again exceed 25% of the votes cast, section 250U will apply to the Company and Resolution 2 (the Spill Resolution) will be put to the meeting. If so George Karafotias, Eric Jiang and Ross Hastings will be the directors namely the Spill Directors for the purposes of section 250V(1)(b).

Although key management personnel and their closely related parties are restricted from voting on Resolutions 1 and 2, they are not so restricted from voting at a Spill Meeting. That is the key management personnel and their closely related parties may not vote to cause the Remuneration Report to be passed nor may they vote against the holding of the Spill Meeting but they can vote to re-elect the Spill Directors at the Spill Meeting.

[It is conceivable that the motion for a Spill Meeting may be passed in circumstances where the Spill Directors will be re-elected as directors of the Company at the Spill Meeting and thus remain directors thereafter. Shareholders are therefore urged not to use the Spill Resolution process as a mere protest, as by doing so the Company will effectively be put into limbo pending the Spill Meeting. As a consequence the Company will undergo the expense and distraction of holding a meeting that will create negative market sentiment towards the Company.]

### 3.2 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote **against** Resolution 2.

## 4 Resolutions 3: Re-election of Ross Hastings

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### 4.1 Background

Clause 13.3(a) of the Constitution provides that no Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the Director's election, whichever is longer, without submitting himself or herself for re-election.

Clause 13.3(b) of the Constitution provides that if no director under clause 13.3(a) is required for re-election than the longest serving Director since last being re-elected must retire in accordance with Clause 13.3(b) and being eligible seek re-election.

Mr Ross Hastings was elected at the 2013 Annual General Meeting and as the longest serving Director retires in accordance with clause 13.3(b) of the Constitution and being eligible seek re-election.

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## 4.2 Mr Ross Hastings

Mr Hastings is a geologist with over 20 years international experience working in the minerals industry with a majority of that time working in Papua New Guinea at Ok Tedi copper mine in the roles of Geotechnical Superintendent and Manager of Mining, and at Misima gold mine as Chief Geologist.

Mr Hastings was also involved with Allied Gold PLC's Simberi Gold Project where his role included management of exploration and the feasibility and pre-development studies for mine construction.

Mr Hasting is a non-executive director of the Company.

## 4.3 Recommendation

The Board supports the re-election of Mr Hasting.

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 3.

The Chair will be casting undirected proxy votes held by him in favour of Resolution 3.

## 5 Resolution 4: Subsequent approval of issue of Shares

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### 5.1 Background

During the Financial Year 2015, the Company issued 6,000,000 Shares at an issue price of \$0.05 per Share to various Sophisticated Investors.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those 6,000,000 Shares.

### 5.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 5.3 Information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of Shares the subject of Resolution 4:

<b>The number of securities allotted</b>	6,000,000 fully paid ordinary shares
<b>The price at which the securities were issued</b>	\$0.05 per share
<b>The terms of the securities</b>	The shares rank equally with the ordinary shares of the Company
<b>The names of the allottees or the basis on which allottees were determined</b>	Various Sophisticated Investors of clients of Bell Potter
<b>The use (or intended use) of the funds raised</b>	The funds raised (\$300,000 in total) were used and are intended to be used for the exploration programme at the Wiagdon Thrust Joint Venture

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#### 5.4 Recommendation

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolution 4.

The Chair will be casting undirected proxy votes held by him in favour of Resolution 4.

## 6 GLOSSARY

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The following words and expressions used in the notice of meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

**Annual Report** means the annual report of the Company for the financial year ended 30 June 2015.

**Auditor** means William Buck Corporate Finance Pty Ltd.

**ASX** means ASX Limited ACN 98 008 624 691

**Board** means the board of directors of the Company.

**Company** means Perpetual Resources Limited (ABN 82 154 516 533).

**Constitution** means the Company's constitution.

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

**Director** means a director of the Company.

**Executive Director** means a Director that is also an executive.

**Explanatory Statement** means the explanatory statement accompanying the notice of meeting for the AGM.

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

**Meeting** or **AGM** means the annual general meeting of the Company to be held on 30 November 2015.

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolution** means a resolution proposed in the Notice of Meeting.

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

**Share Registry** means Computershare Investor Services Pty Ltd.

**Shareholder** means a holder of Shares.

**Sophisticated Investors** has the meaning set out in the Corporations Act.

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# Perpetual Resources Limited: Proxy Form

## Section 1: Security Holder

Name(s) \_\_\_\_\_

Address \_\_\_\_\_

Security Holder Reference Number \_\_\_\_\_

## Section 2: Appointment of Proxy

I/We being a member/s of the Company hereby appoint:

**The Chair of the Meeting**  
(mark with an "x")

OR

\_\_\_\_\_  
(Write here the name of the person you are appointing if this person/s is someone other than the Chair of the meeting)

\_\_\_\_\_  
(Write here the name of the person you are appointing if you are appointing a second proxy)

\_\_\_\_\_  
Write here % of votes or number of shares if appointing 2 proxies

\_\_\_\_\_  
Write here % of votes or number of shares if appointing 2 proxies

or failing the person/s named, or if no person/s is named, the Chair of the meeting, as my/our proxy and to act generally at the meeting on my/our behalf and to vote in accordance with the directions in Section 3 below (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Perpetual Resources Limited to be held at **Level 17, 499 St Kilda Road, Melbourne VIC 3004** at **11.00am** on **30 November 2015** and at any adjournment or postponement of that meeting.

*Chair of meeting authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the meeting as my/our proxy (or the Chair of the meeting becomes my/our proxy by default) I/we expressly authorise the Chair of the meeting to exercise my/our proxy on Resolution 1 (except where I have indicated a different voting direction in Section 3 below) even though Resolution 1 is connected directly or indirectly with the remuneration of members of key management personnel, which includes the Chair.*

## Section 3: Items of Business

I/We direct as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Spill Motion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Ross Hastings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Subsequent approval of issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note:

- (1) If you have appointed a proxy and do not mark any direction box for an item, your proxy is authorised to vote or abstain from voting on the relevant item in their absolute discretion.
- (2) If you have appointed a proxy and mark the abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.
- (3) The Chair of the meeting intends to vote undirected proxies in favour of each item of business. In exception circumstances, the Chair of the meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Section 4: Authorised Signature/s

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Security Holder 1 (Individual)

Security Holder 2 (Individual)

Security Holder 3 (Individual)

\_\_\_\_\_  
Sole Director and Sole Company Secretary

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Company Secretary (delete one)

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact daytime telephone

\_\_\_\_\_  
Email

\_\_\_\_\_  
Date

## YOUR VOTE IS IMPORTANT - PLEASE READ THE INFORMATION BELOW

If you are unable to attend the meeting, you are encouraged complete and lodge this form.

### Appointing a proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement of 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Section 2 overleaf.

A proxy need not be a shareholder of the Company.

### Signing Instructions

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Please bring this form to assist registration. If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Level 17, 499 St. Kilda Road Melbourne Victoria 3004.

**For your vote to be effective it must be received no later than 11.00am on 27 November 2015**

### Lodging a proxy form

Send completed forms to:

<b>By Fax:</b>	<b>+61 3 9866 5859</b>
<b>By Mail:</b>	<b>Level 17, 499 St. Kilda Road Melbourne Victoria 3004</b>
<b>In Person:</b>	<b>Level 17, 499 St. Kilda Road Melbourne Victoria 3004</b>