

**MONTEZUMA MINING COMPANY LIMITED**  
**ACN 119 711 929**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

24 November 2016

**Time of Meeting**

12:00 noon

**Place of Meeting**

Ground Floor  
20 Kings Park Road  
WEST PERTH WA 6005

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

*The **2016 Annual Report** may be viewed on the Company's website at [www.montezuma.com.au](http://www.montezuma.com.au)*

**MONTEZUMA MINING COMPANY LIMITED**  
**ACN 119 711 929**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Montezuma Mining Company Limited (**Company**) will be held at Ground Floor, 20 Kings Park Road, West Perth, Western Australia on 24 November 2016 at 12:00 noon for the purpose of transacting the following business.

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

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**2016 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2016, consisting of the annual financial report, the Directors' report and the auditor's report.

**Resolution 1 – Re-election of Mr Justin Brown as a Director**

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

*"That Mr Justin Brown, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

**Resolution 2 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2016 Annual Report be and is hereby adopted."*

**Short Explanation:** Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company's key management personnel included in the Company's Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory and neither binds the Company's Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

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

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

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

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

### Resolution 3 – Approval of 10% Placement Facility

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

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

**Short Explanation:** Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by:

- (a) a person (and any associates of such a person) who may participate in the proposed issue; and
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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 4 – Approval of Grant of Options to Mr Justin Brown

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

*“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr Justin Brown, or his nominees, for nil consideration of 1,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 24 November 2021 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”*

**Short Explanation:** Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Voting Exclusion:** The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 4 by Mr Brown and any associate of Mr Brown. However, the Company will 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.

#### **Voting prohibition statement:**

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

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

However, the above prohibition does not apply if:

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

### Resolution 5 – Approval of Grant of Options to Mr John Ribbons

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

*“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr John Ribbons, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 24 November 2021 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”*

**Short Explanation:** Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Voting Exclusion:** The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 5 by Mr Ribbons and any associate of Mr Ribbons. However, the Company will 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.

#### **Voting prohibition statement:**

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

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

However, the above prohibition does not apply if:

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

### Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius

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

*“That, for the purpose of Listing Rule 10.11 of the Listing Rules, section 208 of the Corporations Act and for all other purposes, the issue to Mr Seamus Cornelius, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 24 November 2021 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”*

**Short Explanation:** Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Voting Exclusion:** The Company will, in accordance with the Listing Rules, disregard any votes cast on Resolution 6 by Mr Cornelius and any associate of Mr Cornelius. However, the Company will 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.

#### **Voting prohibition statement:**

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

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

However, the above prohibition does not apply if:

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

#### **Resolution 7 – Ratification of Issue of Shares**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 13,000,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Memorandum.”*

#### **Voting Exclusion:**

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as 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).

#### **Resolution 8 – Ratification of Issue of Options**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,000,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 30 cents expiring on 22 August 2020 to the parties and on the terms set out in the Explanatory Memorandum.”*

#### **Voting Exclusion:**

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as 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).

#### **Resolution 9 – Ratification of Issue of Options**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 250,000 Options to acquire fully paid shares in the capital of the Company, at an exercise price of 30 cents expiring on 17 June 2019 to the parties and on the terms set out in the Explanatory Memorandum.”*

#### **Voting Exclusion:**

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their Associates, unless it is cast:

- (a) by a person as 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).

**MONTEZUMA MINING COMPANY LIMITED**

Notice of Annual General Meeting 24 November 2016

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A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company's Share Registry no later than 12:00 noon (WST) on 22 November 2016:

- by post to:  
Security Transfer Australia Pty Ltd  
PO Box 535  
APPLECROSS WA 6953
- by facsimile on +61 8 9315 2233
- by email to [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

By order of the Board



John Ribbons  
Company Secretary  
Date: 8 September 2016

## **PROXIES**

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

## **ENTITLEMENT TO VOTE**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm WST on 22 November 2016 will be entitled to attend and vote at the AGM.

## **CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the Shareholders of Montezuma Mining Company Limited ACN 119 711 929 (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Ground Floor, 20 Kings Park Road, West Perth, Western Australia, on 24 November 2016 commencing at 12:00 noon.

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- re-electing Mr Justin Brown as a Director;
- adopting the Remuneration Report;
- approving 10% Placement Facility;
- approving grant of options to Mr Justin Brown;
- approving grant of options to Mr John Ribbons;
- approving grant of options to Mr Seamus Cornelius;
- ratification of issue of shares; and
- ratification of issue of options.

### **Financial and Other Reports**

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2016 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

### **Resolution 1 – Re-election of Mr Justin Brown as a Director**

#### **1.1 Introduction**

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors must retire at each AGM. Accordingly, Mr Justin Brown will retire by rotation and, being eligible, offers himself for re-election.

Resolution 1 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

#### **1.2 Director's Biography**

Mr Brown is a geologist with extensive experience in minerals exploration in Australia and New Zealand. Mr Brown has a strong technical background with experience in the full spectrum of mineral exploration and mining from grass roots target generation through to resource mining and mine production. Mr Brown's successful career in the mining industry culminated in a position managing exploration for a large multinational company in the Leonora, Edjudina and Marvel Loch regions of Western Australia. Mr Brown is a founding director and previous Managing Director of the Company.

Further details in relation to Mr Brown's background and experience are set out in the Annual Report. The Board considers Mr Brown not to be an independent Director.

#### **1.3 Directors' Recommendation**

All the Directors except Mr Brown recommend that Shareholders vote in favour of Resolution 1.



## **Resolution 2 – Adoption of Remuneration Report**

### **2.1 Introduction**

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report, which is part of the 2016 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2016 Annual Report are available by contacting the Company's share registrar or visiting the Company's web site [www.montezuma.com.au](http://www.montezuma.com.au).

The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2016 AGM and then again at the 2016 AGM, the Company will be required to put a resolution to the 2016 AGM to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2016 AGM. All of the Directors who were in office when the 2016 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains Board policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for each member of the Key Management Personnel, details any service agreements and sets out the details of any share based compensation.

### **2.2 Voting on the Remuneration Report**

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

## **Resolution 3 – Approval of 10% Placement Facility**

### **3.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**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 3.2(c) below).

As previously disclosed to ASX, the Company continues to advance its 100% owned Butcherbird Project. The Company may use the 10% Placement Facility to advance this goal.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **3.2 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 AGM.

#### *(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 on issue three classes of Equity Securities, being listed Shares, unlisted options and unlisted performance rights.

(c) *Formula for calculating 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, 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:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) 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;
- (iv) less the number of fully paid shares cancelled in the 12 months.

**D** is 10%;

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue 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.

At the date of this Notice, the Company has on issue 83,464,350 Shares. At the date of the meeting the Company will have the capacity to issue:

- (i) 1,916,087 Equity Securities under Listing Rule 7.1; and
- (ii) Nil 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 3.2(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 VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded 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 AGM 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 AGM 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**).

**3.3 Listing Rule 7.1A**

The effect of Resolution 3 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 3 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).

**3.4 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 on which trades in that class were recorded 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 3 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. 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 table below 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 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 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		
		\$0.0875 50% decrease in Issue Price	\$0.175 Issue Price	\$0.35 100% increase in Issue Price
<b>Current Variable A</b> 83,464,350 Shares	<b>10% voting dilution</b>	8,346,435 Shares	8,346,435 Shares	8,346,435 Shares
	<b>Funds raised</b>	\$730,313	\$1,460,626	\$2,921,252
<b>50% increase in current Variable A</b> 125,196,525 Shares	<b>10% voting dilution</b>	12,519,625 Shares	12,519,625 Shares	12,519,625 Shares
	<b>Funds raised</b>	\$1,095,467	\$2,190,934	\$4,381,869
<b>100% increase in current Variable A</b> 166,928,700 Shares	<b>10% voting dilution</b>	16,692,870 Shares	16,692,870 Shares	16,692,870 Shares
	<b>Funds raised</b>	\$1,460,626	\$2,921,252	\$5,842,505

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 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 shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (v) The issue price is \$0.175, being the closing price of the Shares on ASX on 8 September 2016.
- (c) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 3 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) cash consideration. In such circumstances, the Company intends to use the funds raised towards advancing its 100% owned Yamarna Project and/or general working capital; or
  - (ii) non-cash consideration for the acquisition of new assets. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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 factors including but not limited to the following:

- (i) 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;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**MONTEZUMA MINING COMPANY LIMITED**

Notice of Annual General Meeting 24 November 2016

- (f) 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 assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2015 annual general meeting on 20 November 2015.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this notice of meeting is 17,900,000 representing 21.34% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following equity securities in the 12 months preceding the date of this Notice:

Date of Issue	Number of Securities	Class	Issue Price	Discount to Market price	Total Consideration	Issued to	Value as determined by Black-Scholes valuation
20/11/2015	1,000,000	Options (Annexure B)	Nil	Nil	Nil	Aradia Ventures Pty Ltd	\$78,500
20/11/2015	500,000	Options (Annexure B)	Nil	Nil	Nil	Kongming Investments Ltd	\$39,250
20/11/2015	500,000	Options (Annexure B)	Nil	Nil	Nil	A Ribbons	\$39,250
20/11/2015	200,000	Options (Annexure B)	Nil	Nil	Nil	L Cornelius	\$15,700
30/11/2015	200,000	Options (Annexure C)	Nil	Nil	Nil	M Giles	\$4,840
20/6/2016	250,000	Options (Annexure D)	Nil	Nil	Nil	C Wirth	\$7,625
22/8/2016	1,000,000	Options (Annexure E)	Nil	Nil	Nil	Zenix Nominees Pty Ltd	\$40,400
22/8/2016	500,000	Options (Annexure E)	Nil	Nil	Nil	Francis Harper	\$20,200
22/8/2016	500,000	Options (Annexure E)	Nil	Nil	Nil	JSR Nominees Pty Ltd <Richardson Family A/C>	\$20,200
12/8/2016	13,000,000	Ordinary Shares	\$0.17		\$2,210,000	Clients of Blackwood Capital and other non related parties	N/A

The Company has not yet spent any of the funds it has raised as a result of the issue of equity securities in the 12 months preceding the date of this Notice. It intends to spend the funds raised:

- (i) to advance exploration at the Company's Yamarna Project; and
  - (ii) for general working capital purposes.
- (h) A voting exclusion statement is included in the Notice.
- (i) 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 holders 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.

**Resolution 4 – Approval of Grant of Options to Mr Justin Brown**

The Company proposes to grant 1,000,000 Options to Mr Justin Brown, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.251. On that basis, in the event all the Options are exercised, Mr Brown (or his nominees) will need to pay a total of \$251,000 to the Company.

**Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 4 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

***The related party to whom the proposed Resolution would permit the financial benefit to be given***

Subject to Shareholder approval, the Options the subject of Resolution 4 will be granted to Mr Brown, or his nominees, within one month of the passing of this Resolution. Mr Brown is a Director of the Company and is therefore classified as a related party.

***The nature of, reasons for and basis for the financial benefit***

The proposed financial benefit is the grant of 1,000,000 options to Mr Brown, or his nominees, for no issue price. Each Option will allow Mr Brown to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The Options form part of Mr Brown's incentive for continuing and future efforts. The issue of Options to Mr Brown is subject to Resolution 4 being passed. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Brown is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Brown to achieve this increase in the Share price, which would result in an increase in Shareholder value.

***Directors' recommendation***

All directors except Mr Brown recommend Shareholders vote in favour of Resolution 4. Mr Brown does not wish to make a recommendation about the proposed Resolution 4 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

***Interests of Directors***

Mr Brown has noted his interest in the approval of Resolution 4 in relation to the Options.

***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers***

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 1,000,000 Options to Mr Brown, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Brown, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

**Table 1 - Details of Director Options**

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Justin Brown	Director	1,000,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	24 November 2021	At date of allotment	\$57,200 (i)

**Option Valuation details**

Details	Input
Share price	\$0.17
Exercise Price	\$0.251
Risk Free Rate	1.6%
Volatility (Annualised)	50%
Start Date	24 November 2016
Expiry Date	24 November 2021
<b>Value per Option</b>	<b>\$0.0572 (i)</b>

- (e) As at the date of this Notice, the issued capital of the Company comprised 83,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	101,764,350
Options to be granted	1,000,000
<b>New Total</b>	<b>102,764,350</b>
Dilutionary effect	0.98%

- (f) Mr Brown's current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
Justin Brown	4,112,500	6,250,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 16 cents to 30 cents, the most recent closing price prior to the date of this Notice was 17.5 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Brown currently receives a salary of \$220,000 per annum, plus superannuation.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the

Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Brown or his nominees pursuant to Resolution 4.

- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

**Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Brown (or his nominees).
- (b) The maximum number of Options to be issued to Mr Brown (or his nominees) is 1,000,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

**Resolution 5 – Approval of Grant of Options to Mr John Ribbons**

The Company proposes to grant 500,000 Options to Mr John Ribbons, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.251. On that basis, in the event all the Options are exercised, Mr Ribbons (or his nominees) will need to pay a total of \$125,500 to the Company.

***Related Party Transactions Generally***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 5 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

***The related party to whom the proposed Resolution would permit the financial benefit to be given***

Subject to Shareholder approval, the Options the subject of Resolution 5 will be granted to Mr Ribbons, or his nominees, within one month of the passing of this Resolution. Mr Ribbons is a Director of the Company and is therefore classified as a related party.



***The nature of, reasons for and basis for the financial benefit***

The proposed financial benefit is the grant of 500,000 options to Mr Ribbons, or his nominees, for no issue price. Each Option will allow Mr Ribbons to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The Options form part of Mr Ribbons' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Ribbons is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Ribbons to achieve this increase in the Share price, which would result in an increase in Shareholder value.

***Directors' recommendation***

All directors except Mr Ribbons recommend Shareholders vote in favour of Resolution 5. Mr Ribbons does not wish to make a recommendation about the proposed Resolution 5 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

***Interests of Directors***

Mr Ribbons has noted his interest in the approval of Resolution 5 in relation to the Options.

***Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers***

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Ribbons, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Ribbons, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

**Table 1 - Details of Director Options**

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
John Ribbons	Director	500,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	24 November 2021	At date of allotment	\$28,600 (i)

**Option Valuation details**

Details	Input
Share price	\$0.17
Exercise Price	\$0.251
Risk Free Rate	1.6%
Volatility (Annualised)	50%
Start Date	24 November 2016
Expiry Date	24 November 2021
<b>Value per Option</b>	<b>\$0.0572 (i)</b>

- (e) As at the date of this Notice, the issued capital of the Company comprised 83,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	Existing Shares and Options
Shares and Options	101,764,350
Options to be granted	500,000
<b>New Total</b>	<b>102,264,350</b>
Dilutionary effect	0.49%

- (f) Mr Ribbons' current interests in securities of the Company are set out in the table below:

Director	Shareholding	Option holding
John Ribbons	500,000	3,500,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 16 cents to 30 cents, the most recent closing price prior to the date of this Notice was 17.5 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Ribbons receives an annual director fee of \$42,000, plus GST.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Ribbons or his nominees pursuant to Resolution 5.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

**Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Ribbons (or his nominees).
- (b) The maximum number of Options to be issued to Mr Ribbons (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).

- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

**Resolution 6 – Approval of Grant of Options to Mr Seamus Cornelius**

The Company proposes to grant 500,000 Options to Mr Seamus Cornelius, or his nominees, for nil consideration at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the incentive represented by the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be \$0.251. On that basis, in the event all the Options are exercised, Mr Cornelius (or his nominees) will need to pay a total of \$125,500 to the Company.

***Related Party Transactions Generally***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

Resolution 6 provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

***The related party to whom the proposed Resolution would permit the financial benefit to be given***

Subject to Shareholder approval, the Options the subject of Resolution 6 will be granted to Mr Cornelius, or his nominees, within one month of the passing of this Resolution. Mr Cornelius is a Director of the Company and is therefore classified as a related party.

***The nature of, reasons for and basis for the financial benefit***

The proposed financial benefit is the grant of 500,000 options to Mr Cornelius, or his nominees, for no issue price. Each Option will allow Mr Cornelius to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.

The Options form part of Mr Cornelius' incentive for continuing and future efforts. Options are considered to be the appropriate incentive given the Company's current size and stage of development, being an exploration company with limited cash reserves. If Mr Cornelius is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Cornelius to achieve this increase in the Share price, which would result in an increase in Shareholder value.

***Directors' recommendation***

All directors except Mr Cornelius recommend Shareholders vote in favour of Resolution 6. Mr Cornelius does not wish to make a recommendation about the proposed Resolution 6 as he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

**Interests of Directors**

Mr Cornelius has noted his interest in the approval of Resolution 6 in relation to the Options.

**Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers**

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Cornelius, or his nominees.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- (d) The total value of the Options to be issued is outlined in Table 1 below. If Options granted to Mr Cornelius, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

**Table 1 - Details of Director Options**

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Seamus Cornelius	Director	500,000	the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	24 November 2021	At date of allotment	\$28,600 (i)

**Option Valuation details**

Details	Input
Share price	\$0.17
Exercise Price	\$0.251
Risk Free Rate	1.6%
Volatility (Annualised)	50%
Start Date	24 November 2016
Expiry Date	24 November 2021
<b>Value per Option</b>	<b>\$0.0572 (i)</b>

- (e) As at the date of this Notice, the issued capital of the Company comprised 83,464,350 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the table below:

	<b>Existing Shares and Options</b>
Shares and Options	101,764,350
Options to be granted	500,000
<b>New Total</b>	<b>102,264,350</b>
Dilutionary effect	0.49%

- (f) Mr Cornelius' current interests in securities of the Company are set out in the table below:

<b>Director</b>	<b>Shareholding</b>	<b>Option holding</b>
Seamus Cornelius	3,064,225	3,250,000

- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 16 cents to 30 cents, the most recent closing price prior to the date of this Notice was 17.5 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- (i) Mr Cornelius receives an annual director fee of \$60,000.
- (j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Cornelius or his nominees pursuant to Resolution 6.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

### **Specific information required by Listing Rule 10.13**

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) The Options will be issued to Mr Cornelius (or his nominees).
- (b) The maximum number of Options to be issued to Mr Cornelius (or his nominees) is 500,000.
- (c) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Options will be issued at an exercise price of 20 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 24 November 2021.
- (e) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- (f) A voting exclusion statement is included in the Notice of Meeting.
- (g) No funds will be raised from the issue of the Options.

### **Resolution 7 – Ratification of Issue of Shares**

#### **General**

The Company issued 13,000,000 Shares on 12 August 2016 at no cost under its 15% placement capacity and now seeks, pursuant to Resolution 7 of the Notice, to ratify the allotment and issue of those Shares.

5,953,565 Shares were issued pursuant to the Company's 15% placement capacity and 7,046,435 Shares were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 20 November 2015.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The purpose and effect of such a ratification is to restore the Company's discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

The Company proposes Resolution 7 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the allotment and issue of the Shares the subject of Resolution 7 did not breach Listing Rules 7.1 and 7.1A.

**Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 13,000,000 Shares were issued on the following basis:
  - (i) 5,953,565 Shares issued pursuant to ASX Listing Rule 7.1; and
  - (ii) 7,046,435 Shares issued pursuant to ASX Listing Rule 7.1A;
- (b) the issue price was \$0.17 per Share under both the issue of Shares pursuant to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to professional and sophisticated investors. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used towards exploration at the Company's Yamarna Project and general working capital.

**Directors' Recommendation**

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

**Resolution 8 – Ratification of Issue of Options****General**

On 12 August 2016 the Company completed a capital raising via the issue of 13,000,000 Shares. Blackwood Capital Pty Limited acted as the lead manager to the Share Placement, the subject of Resolution 8. As part consideration to Blackwood Capital Pty Limited the Company issued 2,000,000 Options on the terms and conditions set out in Annexure E. The Options were issued to nominees of Blackwood Capital Pty Limited on 22 August 2016 and shareholders are now being requested to ratify this issue.

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 the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach the ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes 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% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 2,000,000 Options (*exercise price of 30 cents, expiring on 22 August 2020*) were allotted and issued by the Company;
- (b) The Options were issued to nominees of Blackwood Capital Pty Limited who are not a related parties or associates of related parties of the Company.
- (c) The Options were issued as part consideration for capital raising fees;
- (d) The Options were issued on the terms and conditions set out in Annexure E;
- (e) No funds were raised from the issue of Options, however the funds raised from the Share Placement will be used for exploration activities and for working capital purposes; and
- (f) A voting exclusion statement is included in the Notice.

**Directors' Recommendation**

The Directors of the Company believe that Resolution 8 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

**Resolution 9 – Ratification of Issue of Options**

**General**

On 20 June 2016 the Company issued 250,000 unlisted options as consideration for corporate services provided to the Company.

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 the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out the procedure and effect of Shareholder approval of a prior issue of securities and provides that where shareholders in general meeting ratify a previous issue of securities made without approval under Listing Rule 7.1, provided that the previous issue of securities did not breach the ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purposes 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% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**Information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 250,000 Options (*exercise price of 30 cents, expiring on 17 June 2019*) were allotted and issued by the Company;
- (b) The Options were issued to Mr Christian Wirth who is not a related parties or associate of related parties of the Company.
- (c) The Options were issued as consideration for corporate services;
- (d) The Options were issued on the terms and conditions set out in Annexure C;
- (e) No funds were raised from the issue of Options; and
- (f) A voting exclusion statement is included in the Notice.

**Directors' 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.

## **GLOSSARY**

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>AGM</b>	means an Annual General Meeting.
<b>Annual Report</b>	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 30 June 2016.
<b>Associate</b>	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Closely Related Party</b>	has the same meaning as defined in Section 9 of the Corporations Act.
<b>Company</b>	means Montezuma Mining Company Limited ACN 119 711 929.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Annual Report.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a share.



ANNEXURE A

TERMS AND CONDITIONS  
OPTIONS EXPIRING 24 NOVEMBER 2021

The Options will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option will be the greater of 20 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of meeting ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 24 November 2021 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE B

TERMS AND CONDITIONS  
OPTIONS EXPIRING 20 NOVEMBER 2020

The Options were issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option is 35 cents ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 20 November 2020 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE C

TERMS AND CONDITIONS  
OPTIONS EXPIRING 20 NOVEMBER 2018

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company ACN:119 711 929 ("**Company**") upon the payment of 35 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 20 November 2018 ("**Expiry Date**").
4. The Options are not transferable and application will not be made to the ASX for Official Quotation of the Options.
5. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
6. Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Options to the balance of the Options held by it.
10. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
11. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
12. The terms and conditions of the Employees Options Plan of Montezuma Mining Company Ltd shall apply to these options.

ANNEXURE D

TERMS AND CONDITIONS  
OPTIONS EXPIRING 17 JUNE 2019

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option is 30 cents. ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 17 June 2019 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

ANNEXURE E

TERMS AND CONDITIONS  
OPTIONS EXPIRING 22 AUGUST 2020

The Options are issued on the following terms:

1. Each Option shall be issued for no consideration.
2. The exercise price of each Option is 30 cents. ("**Exercise Price**").
3. Each Option entitles the holder to subscribe for one Share in Montezuma Mining Company Limited ABN 46 119 711 929 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
4. The Options will lapse at 5:00 pm, Western Standard Time on 22 August 2020 ("**Expiry Date**").
5. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
6. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
7. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before closing date to exercise the Options.
8. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
9. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
10. The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
11. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 10 business days of exercise of the Options.
12. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

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MONTEZUMA MINING COMPANY LTD

ACN: 119 711 929

REGISTERED OFFICE:  
GROUND FLOOR  
20 KINGS PARK ROAD  
WEST PERTH WA 6005

SHARE REGISTRY:  
Security Transfer Australia Pty Ltd  
All Correspondence to:  
PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

+

«EFT\_REFERENCE\_NUMBER»

«Holder\_name»

«Address\_line\_1»

«Address\_line\_2»

«Address\_line\_3»

«Address\_line\_4»

«Address\_line\_5»

«Company\_code» «Sequence\_number»

Code:

MZM

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE  
ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
1. Log into the Investor Centre using your holding details.  
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE»

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 12:00pm WST on Thursday 24 November 2016 at Ground Floor, 20 Kings Park Road, WEST PERTH WA 6005 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Where I/we have appointed the Chairperson as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on resolutions 2, 4, 5 & 6 (except where I/we have indicated different voting intention below) even though resolutions 2, 4, 5 & 6 are connected directly or indirectly with the remuneration of key management personnel, which includes the Chairperson.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Re-election of Mr Justin Brown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Grant of Options to Mr Justin Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5. Approval of Grant of Options to Mr John Ribbons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6. Approval of Grant of Options to Mr Seamus Cornelius	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 12:00pm WST on Tuesday 22 November 2016.



My/Our contact details in case of enquiries are:

Name:

Number:

(   )

### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

### 5. 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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA

**Street Address** 770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA

**Telephone** +61 8 9315 2333

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

