

**A1 CONSOLIDATED GOLD LIMITED  
ACN 149 308 921**

**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**EXPLANATORY STATEMENT**

**AND**

**PROXY FORM**

**Date of Meeting**

25 November 2014

**Time of Meeting**

1:00pm AEDT

**Place of Meeting**

Batmans Hill on Collins  
Spencer Room  
623 Collins Street  
Melbourne VIC 3000

*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 **2014 Annual Report** may be viewed on the Company's website at [www.a1consolidated.com.au](http://www.a1consolidated.com.au)*

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**A1 CONSOLIDATED GOLD LIMITED**  
**ACN 149 308 921**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of A1 Consolidated Gold Limited (**Company**) will be held at Batmans Hill on Collins, Spencer Room, 623 Collins Street, Melbourne VIC 3000 on 25 November 2014 at 1:00pm AEDT (**Meeting**) for the purpose of transacting the following business in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

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

#### **Financial Statements and Reports**

To receive and consider the Financial Report, together with the Directors' Report and Auditor's Report for the financial year ended 30 June 2014.

#### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2014 Annual Report be adopted."*

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

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

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

However, a person (**the voter**) described above may cast a vote on this 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:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises 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 2 – RE-ELECTION OF MR MORRIE GOODZ AS A DIRECTOR**

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

*"That, for the purpose of clause 6.3 of the Constitution and for all other purposes, Mr Morrie Goodz retires by rotation as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."*

#### **RESOLUTION 3 – 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 for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,724,138 fully paid ordinary Shares to LionGold Australia Pty Ltd, for the purposes and on the terms set out in the Explanatory Statement."*

**Voting Exclusion Statement:** 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 4 – 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 for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,639,645 fully paid ordinary Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** 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 5 – RATIFICATION OF ISSUE OF UNDERWRITER OPTIONS

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

*“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 21,484,177 Underwriter Options to the parties, for the purposes and on the terms set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** 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 6 – APPROVAL OF GRANT OF UNDERWRITER OPTIONS

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 30,048,516 Underwriter Options to the parties, for the purposes and on the terms set out in the Explanatory Statement.”*

**Voting exclusion statement:** For the purposes of Listing Rule 7.3, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 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 7 – APPROVAL OF GRANT OF OPTIONS TO EMPLOYEES & CONTRACTORS

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Company to issue up to 9,000,000 Executive Options on the terms set out in the Explanatory Statement, to employees and contractors of the Company, or their nominees, for nil consideration.”*

**Voting exclusion statement:** For the purposes of Listing Rule 7.3, the Company will disregard any votes cast on this Resolution by any person who may participate in the issue and 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 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 – 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, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued share 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 Statement.”*

**Voting exclusion statement:** For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Facility and 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 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 a 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 – ADOPTION OF PROPORTIONAL TAKEOVER PROVISIONS

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

*“That for the purposes of section 136 of the Corporations Act and for all other purposes, Schedule 5 of the Constitution of the Company be adopted in the following form.”*

### **Schedule 5 - Proportional Takeover Bid Approval**

#### **1. Definitions**

*In this Schedule:*

**"Approving Resolution"** means a resolution to approve a proportional takeover bid in accordance with this Schedule.

**"Deadline"** means the 14th day before the last day of the bid period for a proportional takeover bid.

**"Voter"** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

#### **2. Refusal of Transfers**

##### **2.1 Requirement for an Approving Resolution**

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

##### **2.2 Voting on an Approving Resolution**

- (a) Where offers are made under a proportional takeover bid, the Directors must call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 2.2(a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 2.2(a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

## OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

## EXPLANATORY STATEMENT

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement.

## PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (**proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company;
- a member may appoint a body corporate or an individual as its proxy; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 10:00am WST on 23 November 2014 by:

1. post to Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, Western Australia 6953; or
2. facsimile to Security Transfer Registrars Pty Ltd at (08) 9315 2233 (International: +61 8 9315 2233); or
3. email at registrar@securitytransfer.com.au.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

## ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of Shareholders as at 5:00pm WST on 24 November 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholder' entitlements to attend and vote at the AGM.

## CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the AGM should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the AGM or handed in at the AGM when registering as a corporate representative.

## ELECTRONIC COMMUNICATION

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

## REVOCATION OF PROXIES

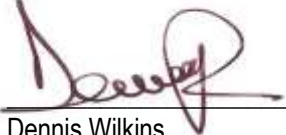
A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

## VOTING OF PROXIES

The Proxy Form accompanying this Explanatory Statement confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of proxy form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

**By Order of the Board of Directors**



Dennis Wilkins  
Company Secretary  
Date: 21 October 2014

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2014 annual general meeting.

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

The Explanatory Statement should be read in conjunction with the accompanying Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### Financial statements and reports

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2014.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website [www.a1consolidated.com.au](http://www.a1consolidated.com.au);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the auditor's report; and
- (b) the conduct of the audit;

may be submitted no later than 5 business days before the Meeting to the Company Secretary (phone +61 8 9389 2111 or email [dw@dwcorporate.com](mailto:dw@dwcorporate.com)).

## RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 1.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's website [www.a1consolidatedgold.com.au](http://www.a1consolidatedgold.com.au).

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

Where a resolution on the Remuneration Report receives a Strike at two consecutive AGMs, the Company will be required to put to Shareholders at the second AGM a resolution (**Spill Resolution**) on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2013 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2015 AGM, this may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.



## 1.2 Voting on the Remuneration Report

In accordance with the Corporations Act, 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 this 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 how the proxy is to vote on this Resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

## RESOLUTION 2 – RE-ELECTION OF MR MORRIE GOODZ AS A DIRECTOR

### 2.1 General

Mr Morrie Goodz was appointed as a Non-Executive Director on 18 March 2011.

In accordance with ASX 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 Directors (other than the managing director) retire from office at each AGM.

These requirements for a Director to retire do not apply to a managing director.

Accordingly, Mr Morrie Goodz will retire by rotation at this meeting and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 2.2 Director's biography and experience

Mr Morrie Goodz is a mining geologist and a Fellow of the Australasian Institute of Mining and Metallurgy. He has 36 years' industry experience including nine years' experience in international mineral exploration in North America and Africa. Since 1985, he has been based in Australia with operational and strategic management roles at the A1, Morning Star, Daisy Milano and Kalgoorlie Consolidated Gold Mines. Since 1987, Mr Goodz has been the Principal Consultant of Goodz GMC, providing geological and mine planning services.

Mr Goodz was responsible for the project conception and discovery of the Daisy Milano shear zone extension where, amongst other operations, he designed and constructed the current decline and underground operations to the number 12 Level at the Daisy Milano gold mine. Since 2009, Mr Goodz has been the Managing Director for Western Australian-based ASX-listed Company, MacPhersons Resources Ltd (ASX: MRP).

Mr Goodz is actively involved in promoting mining education with various professional bodies and the WA School of Mines. Mr Goodz is an active public speaker at conferences and workshops on mine design, business improvement and strategic planning.

### 2.3 Directors' recommendation

All the Directors except Mr Morrie Goodz recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES**

### **3.1 General**

The Company issued 1,724,138 Shares on 19 February 2014 at an issue price of \$0.116 per Share under its Listing Rules 7.1 placement capacity and now seeks, pursuant to Resolution 3 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 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 pursuant to Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 3 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares the subject of Resolution 3 did not breach Listing Rule 7.1.

### **3.2 Information required by Listing Rule 7.5**

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

- (a) 1,724,138 Shares were allotted and issued by the Company.
- (b) The issue price per Share was \$0.116.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (d) The Shares were allotted pursuant to a private placement to LionGold Australia Pty Ltd, a professional investor under section 708(11) of the Corporations Act who is not a related party of the Company.
- (e) The funds raised have been (or are in the process of being) applied towards advancing the decline to the 1400 stockwork zone and for general working capital.
- (f) A voting exclusion statement is included in the Notice.

### **3.3 Directors' recommendation**

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.

## **RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES**

### **4.1 General**

The Company issued 2,639,645 Shares between 21 February 2014 to 27 June 2014 at an issue price of \$0.116 per Share under its Listing Rule 7.1 placement capacity and now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 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 pursuant to Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 4 to ratify a previous issue of Shares in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

### **4.2 Information required by Listing Rule 7.5**

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

- (a) 2,639,645 Shares were allotted and issued by the Company;
- (b) The issue price per Share was \$0.116.
- (c) The Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue.
- (d) The Shares were allotted as shortfall under the entitlement offer made pursuant to an offer document dated 15 November 2013, but not within 15 business days of the close of the entitlement offer (and therefore Exception 2 of Listing Rule 7.2 does not apply), to sophisticated and professional investors who are not related parties of the Company.
- (e) The funds raised have been (or are in the process of being) applied towards advancing the decline to the 1400 stockwork zone and for general working capital.

- (f) A voting exclusion statement is included in the Notice.

#### **4.3 Directors' recommendation**

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **RESOLUTION 5 – RATIFICATION OF ISSUE OF UNDERWRITER OPTIONS**

#### **5.1 General**

The Company expects to have issued 21,484,177 Underwriter Options on or around 4 November 2014 under its Listing Rule 7.1 placement capacity and now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Underwriter Options.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 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 securities pursuant to Listing Rule 7.1 without requiring shareholder approval.

The Company proposes Resolution 5 to ratify a previous issue of Underwriter Options in accordance with Listing Rule 7.4. The Company confirms that the issue and allotment of the Shares the subject of Resolution 5 will not breach Listing Rule 7.1 on the date of issue.

#### **5.2 Information required by Listing Rule 7.5**

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

- (a) 21,484,177 Underwriter Options are expected to have been allotted and issued by the Company prior to the date of the AGM.
- (b) The Underwriter Options are to be issued as part consideration for the partial underwriting of the Company's Entitlements Offer made pursuant to the Company's prospectus dated 2 October 2014.
- (c) The Underwriter Options will have been issued on the terms set out in Annexure A.
- (d) The 21,484,177 Underwriter Options are to be issued to Patersons Securities Limited, or its nominees, who are sophisticated or professional investors and are not related parties of the Company, at the completion of the Entitlements Offer, as set out in the Entitlements Offer prospectus dated 2 October 2014.
- (e) No funds will be raised by the issue of the 21,484,177 Underwriter Options, which are being issued as part consideration for partial underwriting.
- (f) A voting exclusion statement is included in the Notice.

#### **5.3 Directors' recommendation**

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **RESOLUTION 6 – APPROVAL OF GRANT OF UNDERWRITER OPTIONS**

#### **6.1 General**

Resolution 6 seeks the approval of Shareholders for the Company to issue up to 30,048,516 Underwriter Options to Patersons Securities Limited or its nominees as part consideration for the partial underwriting of the Entitlements Offer.

Listing Rule 7.1 prohibits a company from issuing securities representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). Accordingly, Shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 30,048,516 Underwriter Options.

#### **6.2 Information required by Listing Rule 7.3**

The following information is provided in accordance with Listing Rule 7.3.

- (a) The maximum number of securities that will be issued is 30,048,516 Underwriter Options.
- (b) Any Underwriter Options issued in accordance with Resolution 6 will be issued and allotted within 3 months from the date of the AGM (or such later date as approved by ASX).
- (c) The Underwriter Options will be issued to Patersons Securities Limited or its nominees (who, other than set out below, will be sophisticated or professional investors who are not related parties of the Company). As set out in the Entitlements Offer prospectus dated 2 October 2014, Patersons Securities Limited has entered into various sub-underwriting agreements with various parties including Mr Dennis Clark, a Director of the Company. Under

Mr Clark's sub-underwriting agreement, Mr Clark has agreed to subscribe for the first \$175,000 of shortfall where a portion of the application funds will be set off against loans to the Company by Mr Clark. See the Company's Entitlements Offer prospectus dated 2 October 2014 for further details. Under Mr Clark's priority sub-underwriting agreement, Mr Clark will receive a fee of 1.5% and be entitled to 1,944,444 Underwriter Options. The agreement is a general sub-underwriting agreement, the terms and conditions of which are, at most, as favourable to Mr Clark as to the other sub-underwriters who are not related parties of the Company, and is on customary arm's length commercial terms. As the Underwriter Options are to be issued under an underwriting agreement in relation to a pro rata issue (the terms of which were included in the Entitlements Offer prospectus), on arm's length terms, the Company has determined that the exception in Listing Rule 10.12 Exception 2 applies and no separate Shareholder approval is required for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act for the issue of Underwriter Options to Mr Clark.

- (d) The terms and conditions of the Underwriter Options are set out in Annexure A.
- (e) The Underwriter Options are to be issued as part consideration for the underwriting of the Entitlements Offer, so no funds will be raised by the issue of the Underwriter Options.
- (f) The issue of the Underwriter Options will occur progressively.
- (g) A voting exclusion statement is included in the Notice.

### 6.3 Directors' recommendation

The Directors, other than Mr Clark who has an interest in the proposed Resolution, recommend that Shareholders vote in favour of Resolution 6.

## RESOLUTION 7 – APPROVAL OF GRANT OF OPTIONS TO EMPLOYEES & CONTRACTORS

### 7.1 General

Resolution 7 seeks the approval of Shareholders for the Company to issue up to 9,000,000 Executive Options to employees and contractors of the Company as performance incentives. As set out in the Company's Entitlements Offer prospectus dated 2 October 2014, the Company proposes to issue Executive Options totaling a maximum of 10% of the resulting Share capital of the Company on completion of the Entitlements Offer (which amount would equal 33,128,160 Executive Options in total assuming full subscription and 25,001,685 Executive Options in total assuming subscription to the underwritten amount of \$2,200,000). The Executive Options will have an exercise price of \$0.05, expire 30 November 2019 and vest in three equal tranches on the delivery of three performance milestones, as follows:

- (a) completion of the decline to 1460 on time and to budget;
- (b) commencement of production on a sustained basis for 6 months in line with the agreed development plan; and
- (c) delivery of a maiden profit and dividend of \$0.0075 per Share or more.

The Executive Options are to be issued to employees and contractors of the Company as follows:

Name	Position	Total Executive Options
Phil Bremner	Mining Manager	3,000,000
David Sharp	Geology Manager	3,000,000
Kirrily Pay	Site Administration Officer	3,000,000

Listing Rule 7.1 prohibits a company from issuing securities representing more than 15% of its issued capital in any 12 month period, without the prior approval of its shareholders (subject to certain exceptions). Accordingly, Shareholder approval is being sought under Listing Rule 7.1 for the issue of up to 9,000,000 Executive Options.

### 7.2 Information required by Listing Rule 7.3

The following information is provided in accordance with Listing Rule 7.3.

- (a) The maximum number of securities that will be issued is 9,000,000 Executive Options.
- (b) Any Executive Options issued in accordance with Resolution 7 will be issued and allotted in a single allotment within 3 months from the date of the AGM (or such later date as approved by ASX).
- (c) The Executive Options will be issued to employees and contractors of the Company who are not related parties of the Company.
- (d) The terms and conditions of the Executive Options are set out in Annexure B.

- (e) The Executive Options are to be issued for no consideration, so no funds will be raised by the issue of the Executive Options.
- (f) A voting exclusion statement is included in the Notice.

### 7.3 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

## RESOLUTION 8 – APPROVAL OF 10% PLACEMENT FACILITY

### 8.1 General

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 (**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 8.2(c) below).

### 8.2 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 and two classes of unlisted Options. The Company is also seeking approval for the issue of Underwriter Options and Executive Options pursuant to Resolutions 5, 6 and 7.

#### (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 Shareholder approval 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 176,683,522 Shares and has a capacity to issue:

(i) 21,484,177 Equity Securities under Listing Rule 7.1; and

(ii) 17,231,973 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 8.2(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**).

### 8.3 Listing Rule 7.1A

The effect of Resolution 8 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.

### 8.4 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 8 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). 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		
		\$0.025 50% decrease in Issue Price	\$0.05 Issue Price	\$0.10 100% increase in Issue Price
<b>Current Variable A</b> 176,683,522 Shares	<b>10% voting dilution</b>	17,668,352 Shares		
	<b>Funds raised</b>	\$441,709	\$883,418	\$1,766,835
<b>50% increase in current Variable A</b> 265,025,283 Shares	<b>10% voting dilution</b>	26,502,528 Shares		
	<b>Funds raised</b>	\$662,563	\$1,325,126	\$2,650,252
<b>100% increase in current Variable A</b> 353,367,044 Shares	<b>10% voting dilution</b>	35,336,704 Shares		
	<b>Funds raised</b>	\$883,418	\$1,766,835	\$3,533,670

**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 Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.05, being the closing price of Shares on the ASX on 13 October 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 8 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 which case the Company may use the funds raised towards furthering its existing A1 Gold Project and towards its working capital requirements; or
    - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investment or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A3.
  - (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.

- (f) 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).

- (g) 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 a related party or an Associate 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.

- (h) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 19 November 2013.

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 14,336,670 representing 7.5% 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 of Meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
13/12/2013	6,191,006	Fully paid ordinary shares	\$0.116	27.5%	In lieu of Directors fees & other payments owing to Directors to the value of \$1,391,760	Issue of Shares to Messers Jeff Williams, Morrie Goodz, Ashok Parekh and Dennis Clark or their nominee/related party in lieu of Director's fees & other payments owing
17/12/2013	3,781,881	Fully paid ordinary shares	\$0.116	7.2%	\$438,698.20	Pursuant to an entitlements offer dated 15 November 2013
19/02/2014	1,724,138	Fully paid ordinary shares	\$0.116	N/A	\$200,000	Pursuant to placement Agreement entered into by the Company and LionGold Australia Pty Ltd
21/02/2014	2,146,549	Fully paid ordinary shares	\$0.116	N/A	\$248,999.68	Pursuant to shortfall under entitlements offer dated 15 November 2013
25/02/2014	200,000	Fully paid ordinary shares	\$0.116	N/A	\$23,200	Pursuant to shortfall under entitlements offer dated 15 November 2013
24/03/2014	206,896	Fully paid ordinary shares	\$0.116	3.3%	\$23,999.94	Pursuant to shortfall under entitlements offer dated 15 November 2013
27/06/2014	86,200	Fully paid ordinary shares	\$0.116	N/A	\$9,999.20	Pursuant to shortfall under entitlements offer dated 15 November 2013

- (i) The Company has spent all of the funds it has raised in the 12 months preceding the date of this Notice on advancing the decline to the 1400 Stockwork ore zone, completing a Stage 1 Scoping Study and corporate expenses.
- (j) A voting exclusion statement is included in the Notice.



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

## 8.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

Resolution 8 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).

## RESOLUTION 9 – ADOPTION OF PROPORTIONAL TAKEOVER PROVISIONS

### 9.1 General

Resolution 9, if passed, would adopt Schedule 5 of the Constitution regarding proportional takeover approval under section 648D of the Corporations Act. The adoption of Schedule 5 would operate for three years, and would then cease to apply unless renewed by a further special resolution of Shareholders. Schedule 5 was previously adopted by Shareholders on 4 April 2011 when the current Constitution was adopted.

If Resolution 9 is passed, then for 21 days after the meeting the holders of 10% of the Company's Shares have the right to apply to the court to have the Resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its members to adopt proportional takeover provisions. This information is set out below.

### 9.2 Proportional takeover bid

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

### 9.3 Effects of the proportional takeover provisions

The effects of the proportional takeover provisions are that:

- (a) if a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted upon. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- (b) the meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period;
- (c) if the approving resolution is rejected before the deadline, the bid cannot proceed and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- (d) if the approving resolution is not voted on, the bid will be taken to have been approved; and
- (e) if the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Corporations Act and the Company's Constitution). The proportional takeover provisions do not apply to full takeover bids.

### 9.4 Reasons for the proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire Shareholding and consequently being left as a minority in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids – this is protection that the Corporations Act provisions are intended to provide.

These provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the proportional takeover provisions, Shareholders should make a judgement as to what events are likely to occur for the Company during the 3 year life of proposed Schedule 5.

## **9.5 Potential advantages and disadvantages**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Directors note that it could be argued that proposed Schedule 5 is an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that this argument ignores the basic object of Schedule 5, which is to empower Shareholders, not the Board.

The potential advantages for Shareholders of the proportional takeover provisions include the following:

- (a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) they may assist Shareholders and protect them from being locked in as a minority;
- (c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- (a) proportional takeover bids for Shares in the Company may be discouraged;
- (b) Shareholders may lose an opportunity to sell some of their Shares at a premium;
- (c) individual Shareholders may consider that Schedule 5 would restrict their ability to deal with their Shares as they see fit; and
- (d) the likelihood of a proportional takeover bid succeeding may be reduced.

## **9.6 Knowledge of any acquisition proposals**

Apart from the above general considerations, the Board is not in a position to point to any special factual matters or principles as a basis for the proposal.

## **9.7 Director' recommendation**

The Board believes that the provisions of Schedule 5 of the Constitution are in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of Resolution 9.

## GLOSSARY

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

"**10% Placement Facility**" has the meaning given in Section 8.1;

"**10% Placement Period**" has the meaning given in Section 8.2(f);

"**AEDT**" means Australian Eastern Daylight Time;

"**AGM**" means an annual general meeting;

"**Annual Report**" means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2014;

"**Associate**" has the same meaning as defined in section 11 and sections 13 to 17 of the Corporations Act;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Auditor's Report**" means the auditor's report on the Financial Report;

"**Board**" means the board of Directors;

"**Closely Related Party**" of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

"**Company**" means A1 Consolidated Gold Limited (ACN 149 308 921);

"**Convertible Security**" means a security of the Company which is convertible into Shares;

"**Constitution**" means the Company's constitution, as amended from time to time;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Directors' Report**" means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company;

"**Entitlements Offer**" means the entitlements offer made by the Company as set out in the prospectus dated 2 October 2014 and lodged with the ASIC on that date;

"**Equity Securities**" has the same meaning as in the Listing Rules;

"**Executive Options**" means an Option exercisable at \$0.05 on or before 30 November 2019 and otherwise on the terms and conditions set out in Annexure B;

"**Explanatory Statement**" means the explanatory statement accompanying this Notice;

"**Financial Report**" means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company;

"**Key Management Personnel**" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Option**" means an option to acquire a Share;

"**Meeting**" has the meaning in the introductory paragraph of the Notice;

"**Notice**" means this Notice of annual general meeting;

"**Proxy Form**" means the proxy form attached to this Notice;

"**Remuneration Report**" means the remuneration report of the Company contained in the Directors' Report;

"**Resolution**" means a resolution contained in this Notice;

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

"**Shareholder**" means the holder of a Share;

"**Underwriter Option**" means an Option exercisable at \$0.03 on or before 30 November 2019 and otherwise on the terms and conditions set out in Annexure A;

"**Trading Day**" means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

"**WST**" means Australian Western Standard Time.

Capitalised terms referred to in this Notice are defined in the Explanatory Statement.

Shareholders are referred to the Explanatory Statement for more information with respect to these matters to be considered at the Meeting.

## ANNEXURE A TERMS AND CONDITIONS OF UNDERWRITER OPTIONS

### 1. Entitlement

- (a) Subject to option terms 6, 7 and 8, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of A1 Consolidated Gold Limited (**Company**), credited as fully paid, at an exercise price of \$0.03 per share (**Exercise Price**).
- (b) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the option in accordance with the listing rules of ASX (**Listing Rules**) (if the Company is listed at the time of exercise of the Option) and register the option holder or its nominee as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
- (c) Shares issued on the exercise of options will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue.

### 2. Exercise of Options

- (a) An option is exercisable by the registered option holder lodging the notice of exercise of option together with, subject to option terms 6, 7 and 8, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The options may be exercised in whole or in part and, if exercised in part, multiples of 1,000 must be exercised on each occasion. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Options may be exercised at any time on or before 5.00pm on 30 November 2019.
- (d) An option not exercised by 5.00pm on 30 November 2019 lapses.

### 3. Transfer

Subject to any restrictions imposed by ASX, options may be transferred at any time before lapsing.

### 4. Quotation

The Company will apply to the ASX for official quotation of the options.

The Company will apply to the ASX for official quotation of the shares issued on any exercise of an option within 10 business days after the allotment of those shares.

### 5. Dividends

Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

### 6. Bonus issue

If the Company makes a bonus issue of shares or other securities pro rata to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

### 7. Rights issue

If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

### 8. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

### 9. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the Listing Rules.

### 10. Right to participate in future issues

The option holder may only participate in new issues of securities to holders of shares to the extent the option has been exercised, if that is permitted by its terms, and the shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

## ANNEXURE B TERMS AND CONDITIONS OF EXECUTIVE OPTIONS

### 1. Entitlement

- (a) The person named as the eligible person on the Executive Option Offer (**Eligible Person**) has been offered options in the Company on the terms and conditions set out below.
- (b) Subject to option terms 1(c), 6, 7 and 8, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of A1 Consolidated Gold Limited (**Company**), credited as fully paid, at an exercise price of \$0.05 per share (**Exercise Price**).
- (c) Options vest on satisfaction of performance conditions, the satisfaction of which shall be determined by the Board at its sole discretion, as follows:
  - (i) 1,000,000 options upon completion of the decline to the 1460 on time and to budget;
  - (ii) 1,000,000 options upon commencement of production on a sustained basis for 6 months in line with the agreed development plan; and
  - (iii) 1,000,000 options upon delivery of a maiden profit and dividend of \$0.0075 per share.
- (d) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the option in accordance with the listing rules of ASX (**Listing Rules**) (if the Company is listed at the time of exercise of the Option) and register the option holder or its nominee as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
- (e) Shares issued on the exercise of options will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue.

### 2. Exercise of Options

- (a) Subject to option term 1(c), an option is exercisable by the registered option holder lodging the notice of exercise of option together with, subject to option terms 6, 7 and 8, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The options may be exercised in whole or in part and, if exercised in part, multiples of 1,000 must be exercised on each occasion. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Each option will lapse on the earliest to occur of 5.00pm WST on 30 November 2019 (**Expiry Date**) and one calendar month following the date the Eligible Person ceases to be an employee or contractor of the Company.

### 3. Transfer

Subject to any restrictions imposed by ASX, options may be transferred at any time before lapsing.

### 4. Quotation

The Company will apply to the ASX for official quotation of the shares issued on any exercise of an option within 10 business days after the allotment of those shares.

### 5. Dividends

Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

### 6. Bonus issue

If the Company makes a bonus issue of shares or other securities pro rata to holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- (a) an option has not been exercised in full; or
- (b) an option has been exercised, but shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of shares over which the option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

### 7. Rights issue

If the Company makes an offer of ordinary shares pro rata to all or substantially all holders of ordinary shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

### 8. Reconstruction

The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

### 9. Advice

The Company must give notice to the option holder of any adjustment to the number of shares which the option holder is entitled to subscribe for or be issued on exercise of the option or the exercise price per share in accordance with the Listing Rules.

### 10. Right to participate in future issues

The option holder may only participate in new issues of securities to holders of shares to the extent the option has been exercised, if that is permitted by its terms, and the shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

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# A1 CONSOLIDATED GOLD LIMITED

ABN: 50 149 308 921

**REGISTERED OFFICE:**  
C/- HERRIES DAVIDSON & CO  
32 CLIFFORD STREET  
GOULBURN NSW 2580

+

**SHARE REGISTRY:**  
Security Transfer Registrars 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

Code:

AYC

Holder Number:

## 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 Proxy ID:

### 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 1.00pm (AEST) on Tuesday 25 November 2014 at Batmans Hill on Collins, 623 Collins Street, Melbourne VIC 3000 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. 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 1 & 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 & 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairperson.

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.

#### RESOLUTIONS

FOR AGAINST ABSTAIN\*

#### RESOLUTIONS

FOR AGAINST ABSTAIN\*

1. Adoption of Remuneration Report

☐ ☐ ☐

6. Approval of Grant of Underwriter Options

☐ ☐ ☐

2. Re-election of Mr Morrie Goodz as a Director

☐ ☐ ☐

7. Approval of Grant of Options to Employees & Contractors

☐ ☐ ☐

3. Ratification of Issue of Shares

☐ ☐ ☐

8. Approval of 10% Placement Facility

☐ ☐ ☐

4. Ratification of Issue of Shares

☐ ☐ ☐

9. Adoption of Proportional Takeover Provisions

☐ ☐ ☐

5. Ratification of Issue of Underwriter Options

☐ ☐ ☐

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

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director Secretary

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 1.00pm (AEST) on Sunday 23 November 2014.

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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 Registrars 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 Registrars Pty Ltd

Online	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars 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 Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.