



ASX Announcement
1 November 2016

NOTICE OF ANNUAL GENERAL MEETING/PROXY FORM

Caeneus Minerals Ltd (“Caeneus” or “the Company”) advises that the attached Notice of Annual General Meeting/Proxy Form has been despatched to shareholders today, 1 November 2016.

For and on behalf of the Board

Keith Bowker
Company Secretary



ACN 082 593 235

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

30 November 2016

Time of Meeting

10.30am (AWST)

Place of Meeting

Somerville Advisory Group
Suite 4, Ground Floor, 56 Kings Park Road, West Perth, Western Australia, 6005

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Caeneus Minerals Ltd
ACN 082 593 235

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Caeneus Minerals Ltd ACN 082 593 235 will be held at Somerville Advisory Group, Suite 4, Ground Floor, 56 Kings Park Road, West Perth, Western Australia, 6005 on 30 November 2016 at 10.30am AWST for the purpose of transacting the following business referred to in this Notice of Meeting.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2016, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

"That the Remuneration Report for the year ended 30 June 2016 as set out in the 2016 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:*

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and*
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.*

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.*

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 – Election of Mr Steven Elliott as a Director

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

"That Mr Steven Elliott, who ceases to hold office in accordance with clause 13.4 of the Company's Constitution and, being eligible, offers himself for election, be elected a Director of the Company."

Resolution 3 – Re-election of Mr Michael Nottas as a Director

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

"That, Mr Michael Nottas, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 4 – Ratification of issue of Shares to sophisticated and professional investors

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 410,233,917 Shares (at an issue price of \$0.003 each) on 15 July 2016 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue the subject of Resolution 4 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 - Proposed issue of Options to sophisticated and professional investors

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 410,233,917 Options exercisable at \$0.005 each on or before 30 June 2021 to sophisticated and professional investors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 5 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 – Proposed issue of Options to Barclay Wells Limited

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 300,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to Barclay Wells Limited or its nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 6 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 – Ratification of issue of Shares to the ATC Vendors

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares (at a deemed issue price of \$0.003 each) on 3 August 2016 to the ATC Vendors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue the subject of Resolution 7 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 – Proposed issue of Shares to the ATC Vendors

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 50,000,000 Shares (at a deemed issue price of \$0.003) to the ATC Vendors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 8 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 – Proposed issue of Options to the ATC Vendors

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 100,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the ATC Vendors on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 9 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (c) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (d) *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 10 – Ratification of issue of Shares to Gold Exploration Management Inc.

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

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Shares (at a deemed issue price of \$0.003 each) on 3 August 2016 to Gold Exploration Management Inc. on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 10 by any person who participated in the issue the subject of Resolution 10 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (e) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (f) *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 11 – Proposed issue of Shares to Gold Exploration Management Inc.

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,000,000 Shares at a deemed issue price of \$0.003 to Gold Exploration Management Inc. on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: *The Company will disregard any votes cast on Resolution 11 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:*

- (a) *a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *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 12 –Ratification of issue of Shares to Segue Resources Ltd

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 35,000,000 Shares (at a deemed issue price of \$0.004 each) on 12 September 2016 to Segue Resources Ltd and on the terms and conditions set out in the Explanatory Memorandum"

Voting exclusion statement: The Company will disregard any votes cast on Resolution 12 by any person who participated in the issue the subject of Resolution 12 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 13 – Employee Option Plan

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

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve any issue of securities under the Employee Option Plan for Eligible Employees (including Directors) known as the "Caeneus Minerals Ltd Employee Equity Incentive Plan", a summary of the rules of which are set out in the Explanatory Memorandum, as an exception to Listing Rule 7.1."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 13 by a director of the Company and any person who is an Associate of those persons (except one who is ineligible to participate in any employee incentive scheme of the Company). However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 14 – Grant of Options to Mr Steven Elliott

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

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue 100,000,000 Options for no consideration, with each Option having an exercise price of \$0.005 and an expiry date of 30 June 2021 to Mr Steven Elliott or his nominees, on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 14 by any Director (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any of their Associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Mr Steven Elliott or his nominees or an Associate of Mr Steven Elliott or his nominees.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 14 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 14; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 14.

Shareholders may also choose to direct the Chair to vote against Resolution 14 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 15 – Grant of Options to Mr Keith Bowker

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue 75,000,000 Options for no consideration, with each Option having an exercise price of \$0.005 and an expiry date of 30 June 2021 to Mr Keith Bowker or his nominees, on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 15 by any Director (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any of their Associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Mr Keith Bowker or his nominees or an Associate of Mr Keith Bowker or his nominees.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 15 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 15; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 15.

Shareholders may also choose to direct the Chair to vote against Resolution 15 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 16 – Grant of Options to Mr Michael Nottas

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14 and all other purposes the Directors are authorised to issue 25,000,000 Options for no consideration, with each Option having an exercise price of \$0.005 and an expiry date of 30 June 2021 to Mr Michael Nottas or his nominees, on the terms and conditions set out in the Explanatory Memorandum (including Schedule 3 to the Explanatory Memorandum)."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 16 by any Director (who is eligible to participate in the employee incentive scheme in respect of which the approval is sought) and any of their Associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- (b) it is not cast on behalf of Mr Michael Nottas or his nominees or an Associate of Mr Michael Nottas or his nominees.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 16 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 16; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 16.

Shareholders may also choose to direct the Chair to vote against Resolution 16 or to abstain from voting.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 17 – Approval of Additional 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and 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 Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast on Resolution 17 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 18 - Proposed issue of Shares to Venex Capital Corp Ltd

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 24,000,000 Shares at a deemed issue price of \$0.003 to Venex Capital Corp Ltd or its nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 18 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) 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 19 - Proposed issue of Shares and Options to the Nevada Clays’ Vendors and Gold Exploration Management Inc.

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:

- (a) 140,000,000 Shares at a deemed issue price of \$0.003 to the Nevada Clays’ Vendors;
- (b) 140,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the Nevada Clays’ Vendors; and
- (c) 35,000,000 Shares at a deemed issue price of \$0.003 to Gold Exploration Management Inc.,

on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast on Resolution 19 by any person who may participate in the proposed issue and any 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 person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (c) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) 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.

OTHER BUSINESS

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

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

A handwritten signature in black ink, appearing to be 'KB' followed by a stylized flourish.

Keith Bowker
Chairman / Company Secretary

Dated: 24 October 2016

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for Proxy Forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on

the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10.30am (AWST) on 28 November 2016. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed Proxy Form in person or by post to:
PO Box 1156
Nedlands WA 6909
 - by faxing a completed Proxy Form to:
+61 8 9262 3723.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.30am (AWST) on 28 November 2016. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Company's register of Shareholders as at 4:00pm (AWST) on 28 November 2016.

Caeneus Minerals Ltd
ACN 082 593 235

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2016, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

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

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2016 Annual Report be adopted. The Remuneration Report is set out in the Company's 2016 Annual Report and is also available on the Company's website www.caeneus.com.au.

The vote on Resolution 1 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 two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second

Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2015 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 27 November 2015. Accordingly, if at least 25% of the votes cast on Resolution 1 are **against** adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – ELECTION OF MR STEVEN ELLIOTT AS A DIRECTOR

Resolution 2 seeks approval for the election of Mr Steven Elliott as a Director with effect from the end of the Meeting.

Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Elliott was appointed to the Board as Managing Director on 18 January 2016. Mr Elliott retires from office in accordance with the requirements of clause 13.4 of the Constitution and submits himself for election in accordance with clause 13.3 of the Constitution.

Mr Elliott is a qualified geologist with over 30 years' experience in mineral exploration. He has broad experience as a consultant to the industry as well as directorships of publicly listed ASX companies with various commodities. Mr Elliott has experience within Australia, Asia, Africa and North America and has been accredited and been involved in many exploration discoveries. Mr Elliott was the co-founding director of Helix Resources Limited (ASX: HLX) and founding director of Talisman Mining Limited (ASX: TLM).

Mr Elliott does not hold a directorship in another listed company.

The Board does not consider Mr Elliott as an independent director as a result of being an executive director.

The Board (excluding Mr Elliott) recommend the election of Mr Elliott.

RESOLUTION 3 – RE-ELECTION OF MR MICHAEL NOTTAS AS A DIRECTOR

Pursuant to Clause 13.2 of the Constitution, Mr Michael Nottas, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Nottas joined the Board on 17 April 2014. Mr Nottas is a representative with CPS Capital Group Pty Ltd and has participated in several small to mid-tier corporate transactions for ASX listed companies. Mr Nottas previous experience includes several years as a Private Client Advisor with Patersons Securities and has also held positions at Worleyparsons and Fortescue Metals Group.

Mr Nottas does not hold a directorship in another listed company. The Board considers Mr Nottas to be an independent director.

The Board (excluding Mr Nottas) recommend the re-election of Mr Nottas.

RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES TO SOPHISTICATED AND PROFESSIONAL INVESTORS

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of 410,233,917 Shares (at an issue price of \$0.003 each) on 15 July 2016 to sophisticated and professional investors. As announced on 4 July 2016, the issue of Shares would raise \$1,230,701.75 before costs and free attaching Options are to be issued on a one for one basis exercisable at \$0.005 each on or before 30 June 2021 to the sophisticated and professional investors (**Capital Raising**).

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares under the Capital Raising.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 410,233,917 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.003 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to sophisticated and professional investors, all of whom are unrelated parties of the Company; and
- (e) funds raised from the issue will be used for the Company's exploration efforts at its Nevada Projects, towards working capital and towards evaluation of additional investment opportunities.

RESOLUTION 5 – PROPOSED ISSUE OF OPTIONS TO SOPHISTICATED AND PROFESSIONAL INVESTORS

Resolution 5 seeks Shareholder approval for the issue of 410,233,917 Options exercisable at \$0.005 each on or before 30 June 2021 to sophisticated and professional investors. The Options will be issued as free attaching options on the basis of one Option for every one Share issued under the Capital Raising.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Company to issue the Options under the Capital Raising during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Options pursuant to the Capital Raising:

- (a) the maximum number of Options to be issued is 410,233,917;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration as they are being issued as free options attaching to the issue of Shares under the Capital Raising on the basis of one Option for every one Share. Accordingly, no funds will be raised from the issue;
- (d) the Options will be issued to sophisticated and professional investors that participated in the Capital Raising, none of whom are related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1 of this Notice.

RESOLUTION 6 – PROPOSED ISSUE OF OPTIONS TO BARCLAY WELLS LIMITED

Resolution 6 seeks Shareholder approval for the issue of 300,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to Barclay Wells Limited or its nominee (**Barclay Wells**). Barclay Wells entered into a transaction mandate with the Company on 15 June 2016 to act as the Company's transaction adviser and lead broker in relation to the Capital Raising (**Mandate**).

Pursuant to the terms of the Mandate, the Company agreed to pay Barclay Wells for the provision of its services as follows:

- (a) in respect of the Capital Raising, a fee of 6% (plus GST) of the total funds raised; and
- (b) 300,000,000 Options exercisable at \$0.005 each on or before 30 June 2021.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Company to issue the Options to Barclay Wells or its nominee pursuant to the Mandate during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without diminishing the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Options to be issued to Barclay Wells or its nominee:

- (a) the maximum number of Options to be issued is 300,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Options will be issued at \$0.00001 pursuant to the Mandate. Accordingly, \$3,000 will be raised from the issue;

- (d) the Options will be issued to Barclay Wells Limited or its nominee, which is not a related party of the Company; and
- (e) the Options will be issued on the terms and conditions set out in Schedule 1 of this Notice.

RESOLUTION 7 – RATIFICATION OF ISSUE OF SHARES TO THE ATC VENDORS

Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of 50,000,000 Shares (at a deemed issue price of \$0.003 each) on 3 August 2016 to the ATC Vendors.

As announced on 19 July 2016, the Company entered into a binding term sheet whereby the Company would acquire all the issued shares of ATC Resources Pty Ltd (**Agreement**). ATC Resources Pty Ltd (**ATC**) is an Australian private company which has entered into binding option agreements with Gold Exploration Management Inc. (**Gold Exploration Management**) to acquire two high impact lithium exploration projects in Nevada, USA. Pursuant to the Agreement, the Company:

- has issued 50,000,000 Shares to the ATC Vendors (such Shares were agreed to be issued within 5 business days of the date of the Agreement) (**Tranche 1 ATC Shares**);
- will issue 50,000,000 Shares to the ATC Vendors within 5 business days of the date of this Meeting, subject to shareholder approval (**Tranche 2 ATC Shares**);
- will issue 100,000,000 Options exercisable at \$0.005 on or before 30 June 2021 to the ATC Vendors within 5 business days of the date of this Meeting, subject to shareholder approval (**ATC Options**);
- has issued 30,000,000 Shares to Gold Exploration Management (such Shares were agreed to be issued within 5 business days of the date of the Agreement) (**Tranche 1 Gold Exploration Management Shares**); and
- will issue 30,000,000 Shares to Gold Exploration Management within 5 business days of the date of this Meeting, subject to shareholder approval (**Tranche 2 Gold Exploration Management Shares**),

(**ATC Transaction**). Full details of the ATC Transaction can be found in the ASX announcement released by the Company dated 19 July 2016.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 ATC Shares under the ATC Transaction.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information in relation to the Tranche 1 ATC Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 50,000,000 Shares were issued;
- (b) the Shares were issued at a deemed issue price of \$0.003 each;

- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to the ATC Vendors, none of which are related parties of the Company; and
- (e) no funds were raised from the issue as the Shares were issued as consideration under the ATC Transaction .

RESOLUTION 8 – PROPOSED ISSUE OF SHARES TO THE ATC VENDORS

Resolution 8 seeks Shareholder approval for the issue of 50,000,000 Tranche 2 ATC Shares (at a deemed issued price of \$0.003 each) to the ATC Vendors. The Tranche 2 ATC Shares will be issued as part of the consideration under the ATC Transaction, which is summarised above.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 8 will be to allow the Company to issue the Tranche 2 ATC Shares pursuant to the ATC Transaction during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Tranche 2 ATC Shares pursuant to the ATC Transaction:

- (a) the maximum number of Shares to be issued is 50,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Shares will be issued at a deemed issue price of \$0.003 each;
- (d) the Shares will be issued for nil cash consideration as they are being issued as consideration under the ATC Transaction. Accordingly, no funds will be raised from the issue;
- (e) the Shares will be issued to the ATC Vendors, none of which are related parties of the Company; and
- (f) the Shares will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue.

RESOLUTION 9 – PROPOSED ISSUE OF OPTIONS TO THE ATC VENDORS

Resolution 9 seeks Shareholder approval for the issue of 100,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the ATC Vendors. The ATC Options will be issued as free attaching options on the basis of one ATC Option for every one Share issued to ATC pursuant to the ATC Transaction.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 9 will be to allow the Company to issue the ATC Options pursuant to the ATC Transaction during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without diminishing the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the ATC Options pursuant to the ATC Transaction:

- (a) the maximum number of Options to be issued is 100,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Options will be issued for nil cash consideration as they are being issued as free options attaching to the issue of Shares under the ATC Transaction on the basis of one Option for every one Share. Accordingly, no funds will be raised from the issue;
- (d) the Options will be issued to the ATC Vendors, none of which are related parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1 of this Notice.

RESOLUTION 10 – RATIFICATION OF ISSUE OF SHARES TO GOLD EXPLORATION MANAGEMENT INC.

Resolution 10 seeks the approval of Shareholders pursuant to Listing Rule 7.4 for the issue of 30,000,000 Tranche 1 Gold Exploration Management Shares (at a deemed issue price of \$0.003 each) on 3 August 2016 to Gold Exploration Management. The Tranche 1 Gold Exploration Management Shares were issued as part of the consideration under the ATC Transaction, which is summarised above.

Resolution 10 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Tranche 1 Gold Exploration Management Shares under the ATC Transaction.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information in relation to the Tranche 1 Gold Exploration Management Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 30,000,000 Shares were issued;
- (b) the Shares were issued at a deemed issue price of \$0.003 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to Gold Exploration Management Inc., which is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued as consideration under the ATC Transaction.

RESOLUTION 11 – PROPOSED ISSUE OF SHARES TO GOLD EXPLORATION MANAGEMENT INC.

Resolution 11 seeks Shareholder approval for the issue of 30,000,000 Tranche 2 Gold Exploration Management Shares (at a deemed issued price of \$0.003 each) to Gold Exploration Management. The Tranche 2 Gold Exploration Management Shares will be issued as part of the consideration under the ATC Transaction, which is summarised above.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 11 will be to allow the Company to issue the Tranche 2 Gold Exploration Management Shares pursuant to the ATC Transaction during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Tranche 2 Gold Exploration Management Shares pursuant to the ATC Transaction:

- (f) the maximum number of Shares to be issued is 30,000,000;
- (g) the Shares will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (h) the Shares will be issued at a deemed issue price of \$0.003 each;
- (i) the Shares will be issued for nil cash consideration as they are being issued as consideration under the ATC Transaction. Accordingly, no funds will be raised from the issue;
- (j) the Shares will be issued to Gold Exploration Management Inc., which is not a related party of the Company; and
- (k) the Shares will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue.

RESOLUTION 12 - RATIFICATION OF ISSUE OF SHARES TO SEGUE RESOURCES LTD

Resolution 12 seeks ratification under Listing Rule 7.4 of the issue of 35,000,000 Shares (at a deemed issued price of \$0.004 each) to Segue Resources Ltd (**Segue**) in order to restore the ability of the Company to issue further Shares within the 10% limit during the next 12 months. The Shares were issued on 12 September 2016.

Through its wholly owned subsidiary Port Exploration Pty Ltd (**Port**), the Company is a party to a joint venture agreement with Segue whereby the Company can earn an interest in the Pardoo Nickel Project in Western Australia (**Joint Venture Agreement**). Whilst the original terms of the Joint Venture Agreement provided that Port could earn a 51% interest (**Stage 1 Interest**) in the Pardoo Nickel Project by expending \$250,000, the parties entered into a deed of variation on 2 September 2016 enabling Port to instead earn the Stage 1 Interest by procuring the issue of 35,000,000 Shares in the Company at a deemed issue price of \$0.004 each.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 10% of the issued capital of the Company without requiring Shareholder approval.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 35,000,000 Shares were issued;
- (b) the Shares were issued at a deemed issue price of \$0.004 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Segue Resources Ltd, an unrelated party of the Company; and
- (e) the Shares were issued for nil cash consideration as they were issued as consideration under the Joint Venture Agreement (as amended by a deed of variation). Accordingly, no funds will be raised from the issue.

RESOLUTION 13 – EMPLOYEE OPTION PLAN

The Directors considered that it was desirable to establish an option plan under which Eligible Employees (including Directors) may be offered the opportunity to subscribe for Options to acquire Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its Eligible Employees (including Directors) and accordingly adopted the Caeneus Minerals Ltd Employee Equity Incentive Plan (**Plan**) on 17 October 2016.

The Plan is designed to provide incentives to the Eligible Employees (including Directors) of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to Eligible Employees (including Directors) are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure Eligible Employees (including Directors) who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Options pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to Eligible Employees (including Directors) the opportunity to subscribe for such number of Options in the Company as the Board may decide and on the terms set out in the rules of the Plan, a summary of which is contained in Schedule 2 of this Explanatory Memorandum. Options granted under the Plan will be offered to Participants in the Plan on the basis of the Board's view of the contribution of the Eligible Employee (including Directors) to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the Plan is set out in Schedule 2 of this Explanatory Memorandum and a full copy of the proposed Plan is available on the Company's website at www.caeneus.com.au;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 13.

RESOLUTION 14 - GRANT OF OPTIONS TO MR STEVEN ELLIOTT

The Company proposes to grant a total of 100,000,000 (each with an exercise price of A\$0.005 and an expiry date of 30 June 2021) to Mr Steven Elliott or his nominees pursuant to the Plan.

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 benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior 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 of the Corporations Act, Mr Elliott is a related party of the Company.

Resolution 14 relates to the issue of Options to a Director, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolution would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, the Options will be issued as set out in the table below.

The proposed financial benefit to be given is the grant of Options for no consideration to Mr Elliott.

The table below also sets out the amounts that will need to be paid to the Company by Mr Elliott if the Options are exercised.

Director	Number of Options	Amount to be paid (A\$)
Steven Elliott or his nominees	100,000,000	\$500,000

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The proposed grant of Options to Mr Elliott will be subject to the terms of the Caeneus Minerals Ltd Employee Equity Incentive Plan. If, however, there is any inconsistency between the terms of the Options as set out in Schedule 3 and the Plan, the terms as set out in Schedule 3 prevail to the extent of the inconsistency.

The grant of Options encourages the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through Share ownership. Under the Company's current circumstances, the Directors consider (in the absence of the Mr Elliott) that the incentives intended for the Mr Elliott represented by the grant of these Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Options to be granted to Mr Elliott has been determined based upon a consideration of:

- (a) the remuneration of Mr Elliott;
- (b) the extensive experience and reputation of Mr Elliott within the mining industry;

- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that Mr Elliott's overall remuneration is in line with market practice; and
- (d) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Mr Elliott's Current Holdings

Set out below are details of Mr Elliott's relevant interest in Shares and Options of the Company as at the date of this Notice:

Director	Number of Shares	Number of Options
Mr Steven Elliott	40,000,000	-

Dilution effect of grant of Options on existing members' interests

If passed, Resolution 14 will give the Directors power to grant a total of 100,000,000 Options on the terms and conditions as set out in Schedule 3 to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 3,918,724,343 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
19,500,000	\$0.005	31 December 2016
306,150,001	\$0.03	27 February 2017
1,181,515,612	\$0.003	31 December 2020

If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 1.37%. The market price of the Company's Shares during the period of the Options will normally determine whether or not Mr Elliott will exercise 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.

Mr Steven Elliott's total remuneration package

Mr Steven Elliott's fees per annum (including superannuation) and the total financial benefit to be received by him in this current period, as a result of the grant of the Options the subject of Resolution 14, are as follows:

Fees p.a. (\$)	Value of Options(\$)	Total Financial Benefit (\$)
\$164,250	\$197,652	\$361,902

Valuation of Options

The Company's advisers have valued the Options to be granted to Mr Elliott using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.003
Exercise price	\$0.005
Risk Free Interest Rate	1.72%
Volatility	100%
Time (years to expiry)	5 years

The Company's advisers have calculated the value of each Option based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of \$0.003 on 14 October 2016;
- (b) risk free rate of return – 1.72% (estimated, based on government bond rates for similar time period); and
- (c) they used a volatility of the Share price of 100% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 17 October 2016:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.006 on 20 July 2016	\$0.001 on 14 December 2015	\$0.004 on 17 October 2016

Other Information

Under the Australian Equivalent of the International Financial Reporting Standards (**IFRS**), the Company is required to expense the value of the Options in its statement of financial performance 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 pursuant to Resolution 14.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolution 14.

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options under the Plan to Mr Steven Elliott.

The following information is provided to Shareholders in relation to Resolution 14 for the purposes of Listing Rule 10.15:

- (a) the Options will be granted to Mr Steven Elliott or his nominees as noted above;
- (b) the maximum number of Options to be granted is 100,000,000;
- (c) the Options will be granted for no consideration;
- (d) no funds will be raised by the grant of the Options;
- (e) all Directors, or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolution 14, the Company is only seeking to grant Options to Mr Steven Elliott. The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Mr Steven Elliott, Mr Keith Bowker and Mr Michael Nottas;
- (f) no Directors, or their permitted nominees, have received any Options under the Plan;
- (g) no loan is provided in connection with the acquisition or conversion of the Options; and
- (h) the Options will be granted on a date, being no later than 12 months after the date Shareholder approval is obtained for Resolution 14.

If approval is given for the grant of the Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolution 14 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTIONS 15 AND 16 - GRANT OF OPTIONS TO MR KEITH BOWKER AND MICHAEL NOTTAS

The Company proposes to grant a total of 75,000,000 and 25,000,000 (each with an exercise price of A\$0.005 and an expiry date of 30 June 2021) to Mr Keith Bowker and Mr Michael Nottas respectively (**Participating Directors**), or their nominees pursuant to the Plan.

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 benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior 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 of the Corporations Act, each of the Participating Directors is a related party of the Company.

Resolutions 15 and 16 relate to the proposed grant of Options to the Participating Directors, which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act.

Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolutions would permit the financial benefit to be given and the nature of the financial benefit

Subject to Shareholder approval, the Options will be issued as set out in the table below.

The proposed financial benefit to be given is the grant of Options for no consideration to the Participating Directors.

The table below also sets out the amounts that will need to be paid to the Company by the Participating Directors if the Options are exercised.

Director	Number of Options	Amount to be paid (A\$)
Mr Keith Bowker or nominees	75,000,000	375,000
Mr Michael Nottas or nominees	25,000,000	125,000
Total	100,000,000	500,000

The details of the financial benefit including reasons for giving the type and quantity of the benefit

The proposed grant of Options to the Participating Directors will be subject to the terms of the Caeneus Minerals Ltd Employee Equity Incentive Plan. If, however, there is any inconsistency between the terms of the Options as set out in Schedule 3 and the Plan, the terms as set out in Schedule 3 will prevail to the extent of the inconsistency.

Under the Company's current circumstances, the Directors (in the absence of the Participating Directors) consider that the grant of Options represents a cost effective way for the Company to remunerate the Participating Directors, as opposed to cash remuneration.

Shareholders should note that for the reasons noted above, it is proposed to grant Options to Mr Keith Bowker and Mr Michael Nottas, notwithstanding the guidelines contained in the Box on page 33 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd Edition) (**Principles**) which states that non-executive Directors should not receive performance-based remuneration or options with performance hurdles attached or performance rights as part of their remuneration as it may lead to bias in their decision-making and compromise their objectivity. The Board considers the grant of Options to Mr Bowker and Mr Nottas reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, while maintaining the Company's cash reserves.

The number of Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- (a) the remuneration of the Directors;
- (b) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that the Participating Directors' overall remuneration is in line with market practice;
- (c) attracting and retaining suitably qualified non-executive directors; and
- (d) incentives to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Participating Directors' Current Holdings

Set out below are details of each of the Participating Directors' relevant interest in Shares and Options of the Company as at the date of this Notice

Director	Number of Shares	Number of Options
Mr Keith Bowker or nominees	47,613,191	14,692,191
Mr Michael Nottas or nominees	-	-

Dilution effect of grant of Options on existing members' interests

If passed, Resolutions 15 and 16 will give the Directors power to grant a total of 100,000,000 Options on the terms and conditions as set out in Schedule 3 to this Explanatory Memorandum and as otherwise mentioned above.

The Company currently has 3,918,724,343 listed Shares and the following unlisted Options on issue:

Number	Exercise Price	Expiry Date
19,500,000	\$0.005	31 December 2016
306,150,001	\$0.03	27 February 2017
1,181,515,612	\$0.003	31 December 2020

If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders by 1.37%. The market price of the Company's Shares during the period of the Options will normally determine whether or not the Participating Directors exercise 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.

Participating Directors' total remuneration package

The Participating Directors' fees per annum (including superannuation) and the total financial benefit to be received by them in this current period, as a result of the grant of the Options the subject of Resolutions 15 and 16, are as follows:

Director	Fees p.a. (\$)	Value of Options (\$)	Total Financial Benefit (\$)
Mr Keith Bowker	\$60,000	\$148,239	\$208,239
Mr Michael Nottas	\$30,000	\$49,413	\$79,413

Valuation of Options

The Company's advisers have valued the Options to be granted to Mr Bowker and Mr Nottas using the Black – Scholes Model. The value of an Option calculated by the Black – Scholes Model is a function of a number of variables. The valuation of the Options has been prepared using the following assumptions:

Variable	Input
Share price	\$0.003
Exercise price	\$0.005
Risk Free Interest Rate	1.72%
Volatility	100%
Time (years to expiry)	5 years

The Company's advisers have calculated the value of each Option based on the following assumptions:

- (a) they have based the underlying value of each Share in the Company on the ASX closing price of \$0.003 on 14 October 2016;
- (b) risk free rate of return – 1.72% (estimated, based on government bond rates for similar time period); and
- (c) they used a volatility of the Share price of 100% as determined from the daily movements in Share price over the last 12 months, adjusted for abnormal trading.

Any change in the variables applied in the Black – Scholes calculation between the date of the valuation and the date the Options are granted would have an impact on their value.

Company's historical Share price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 17 October 2016:

Highest Price (\$)/Date	Lowest Price (\$)/Date	Latest Price (\$)/Date
\$0.006 on 20 July 2016	\$0.001 on 14 December 2015	\$0.004 on 17 October 2016

Other Information

Under the Australian Equivalent of the International Financial Reporting Standards (**IFRS**), the Company is required to expense the value of the Options in its statement of financial performance 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 pursuant to Resolutions 15 and 16.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 15 and 16.

Information Requirements - Listing Rules 10.14 and 10.15

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options under the Plan to the Participating Directors.

The following information is provided to Shareholders in relation to Resolutions 15 and 16 for the purposes of Listing Rule 10.15:

- (a) the Options will be granted to the Participating Directors, or their nominees, as noted above;
- (b) the maximum number of Options to be granted is 100,000,000;
- (c) the Options will be granted for no consideration;
- (d) no funds will be raised by the grant of the Options;
- (e) all Directors, or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolutions 15 and 16, the Company is only seeking to grant Options to Mr Keith Bowker and Mr Michael

Nottas. The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Mr Keith Bowker, Mr Michael Nottas and Mr Steven Elliott.

- (f) no Directors, or their permitted nominees, have received any Options under the Plan;
- (g) no loan is provided in connection with the acquisition or conversion of the Options; and
- (h) the Options will be granted on a date, being no later than 12 months after the date Shareholder approval is obtained for Resolutions 15 and 16.

If approval is given for the grant of the Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

Voting

Note that a voting exclusion applies to Resolutions 15 and 16 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on these Resolutions.

RESOLUTION 17 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$16m as at 19 October 2016 and is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 17 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's exploration activities, the acquisition of new assets (should suitable assets be found), administration costs and general working capital .

Listing Rule 7.1A

The effect of Resolution 17 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares and unlisted Options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 4,197,724,343 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 17, 419,772,434 Equity

Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities, that formula is:

$(A \times D) - E$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.002 Issue Price at half the current market price	\$0.004 Issue Price at current market price	\$0.008 Issue Price at double the current market price
Current Variable 'A' 4,197,724,343 Shares	Shares issued	419,772,434	419,772,434	419,772,434
	Funds raised	\$839,545	\$1,679,090	\$3,358,179
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 6,296,586,514 Shares	Shares issued	629,658,651	629,658,651	629,658,651
	Funds raised	\$1,259,317	\$2,518,635	\$5,037,269
	Dilution	10%	10%	10%
100% increase in current variable 'A' 8,395,448,686 Shares	Shares issued	839,544,868	839,544,868	839,544,868
	Funds raised	\$1,679,090	\$3,358,179	\$6,716,359
	Dilution	10%	10%	10%

Note: This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.

- *The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.*
- *The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.*

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.

Resolution 17 is a special resolution, requiring 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) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

- (b) If Resolution 17 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also 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 Annual General Meeting; and
 - (ii) the Equity Securities may be issued:
 - (A) 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; or
 - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.

- (c) The table above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. The table shows:
 - (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
 - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 19 October 2016, being \$0.004, (current market price), where the issue price is halved, and where it is doubled; and
 - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (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).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) if Equity Securities are issued for cash consideration, the Company intends to use the funds for: exploration activities and general working capital; and
 - (ii) if Equity Securities are issued for non-cash consideration for exploration activities or general working capital. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
 - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 27 November 2015. In the 12 months preceding the date of the Meeting, the Company has issued 4,428,074,030 Equity Securities which represents 394.23% of the total number of Equity Securities on issue at the commencement of that 12 month period. The following information is provided in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting:

Date of Schedule 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds
					If issued for non-cash consideration – a description of the consideration and the current value of the consideration

12/09/16	35,000,000	Fully paid ordinary shares	Issued pursuant to a deed of variation to acquire 51% of the Pardoo Nickel Project.	Deemed issue price of \$0.004 each	Issue for non-cash consideration to acquire 51% of the Pardoo Nickel Project. Value of the shares \$140,000.
16/08/16	a) 50,000,000 b) 30,000,000	b) Fully paid ordinary shares c) Fully paid ordinary shares	a) Issued as part consideration to acquire ATC Resources Pty Ltd. b) Issued to Global Exploration Management Inc. as part of the acquisition of ATC Resources Pty Ltd	a) Deemed issue price of \$0.003 each b) Deemed issue price of \$0.003 each	a) Issued for non-cash consideration to acquire the Scotty's South and Columbus Marsh Projects. Value of the shares \$150,000. b) Issued for non-cash consideration to acquire the Scotty's South and Columbus Marsh Projects. Value of the shares \$90,000.
03/08/16	37,500,000	Fully paid ordinary shares	Issued following exercise of unlisted 31 Dec 20 options.	Issue price of \$0.003 each.	Total cash received \$112,500.
01/08/16	47,500,000	Fully paid ordinary shares	Issued following exercise of unlisted 31 Dec 20 options.	Issue price of \$0.003 each.	Total cash received \$142,500.
25/07/16	40,264,309	Fully paid ordinary shares	Issued following exercise of unlisted 31 Dec 20 options.	Issue price of \$0.003 each.	Total cash received \$120,793.
15/07/16	410,233,917	Fully paid ordinary shares	Issued pursuant to a placement	Issue price of \$0.003 each	Total cash received \$1,230,702.
30/06/16	a) 600,000,000 b) 300,000,000 c) 225,000,000 d) 241,322,612 e) 200,000,000 f) 30,000,000 g) 15,000,000	a) Fully paid ordinary shares b) Unlisted options c) Fully Paid ordinary shares d) Unlisted options e) Unlisted options f) Fully paid ordinary shares g) Unlisted options	a) Issued for acquisition of Nevada Metals Pty Ltd b) Free attaching options for acquisition of Nevada Metals Pty Ltd c) Issued as part consideration payable under the mining claims acquisition d) Free attaching options to placement e) Issued to lead manager of the placement as part of the capital raising mandate f) Issued to creditors g) Free attaching options to creditors	a) Deemed issue price of \$0.001 each b) Free attaching unlisted options c) Deemed issue price of \$0.001 each d) Free attaching unlisted options e) Issue price of \$0.00001 each f) Deemed issue price of \$0.001 each g) Free attaching unlisted options	a) Issued for non-cash consideration to acquire the Muddy Mountain and Lida Valley Projects. Value of the shares \$600,000. b) Issued for non-cash consideration to acquire the Muddy Mountain and Lida Valley Projects. The current value of the options is \$856,683. ¹ c) Issued for non-cash consideration under the mining claims acquisition. Value of the shares \$225,000. d) Issued for non-cash consideration. The current value of the options is \$689,123. ¹ e) Total cash received of \$2,000. Proceeds for working capital. f) Issued for non-cash to creditors. Value of the shares \$30,000. g) Issued for non-cash to creditors. The current value of the options is \$42,834. ¹
30/03/16	482,645,223	Fully paid ordinary shares	Issued pursuant to placement	Issue price of \$0.001 each	Total cash received \$482,645.

17/12/15	<ul style="list-style-type: none"> a) 300,000,000 b) 150,000,000 c) 750,000,000 d) 375,000,000 	<ul style="list-style-type: none"> a) Fully paid ordinary shares b) Unlisted options c) Fully paid ordinary shares d) Unlisted options 	<ul style="list-style-type: none"> a) Issued pursuant to placement b) Free attaching options to placement c) Issued for acquisition of Port Exploration Pty Ltd d) Free attaching options for acquisition of Port Exploration Pty Ltd 	<ul style="list-style-type: none"> a) Issue price of \$0.002 each b) Free attaching unlisted options c) Deemed issue price of \$0.001 each d) Free attaching unlisted options 	<ul style="list-style-type: none"> a) Total cash received \$600,000. Proceeds for exploration activities and working capital. b) Issued for non-cash consideration. The current value of the options is \$424,023.¹. c) Issued for non-cash consideration to acquire the Pardoo Nickel Project. Value of the shares \$750,000. d) Issued for non-cash consideration to acquire the Pardoo Nickel Project. The current value of the options is \$1,060,059.¹.
01/12/15	<ul style="list-style-type: none"> a) 25,457,309 b) 75,000,000 c) 8,150,660 	<ul style="list-style-type: none"> a) Unlisted options b) Fully paid ordinary shares c) Fully paid ordinary shares 	<ul style="list-style-type: none"> a) Free attaching options to placement b) Issued on conversion of convertible notes. c) Issued to creditors. 	<ul style="list-style-type: none"> a) Free attaching unlisted options. b) Issue price \$0.002 each. c) Deemed issue price \$0.002 each. 	<ul style="list-style-type: none"> a) Issued for non-cash consideration. The current value of the options is \$70,422.¹. b) Total cash received \$150,000. Proceeds used for working capital. c) Issued for non-cash to pay creditors to the value of \$16,301.

Note 1: The unlisted options which were issued as non-cash consideration have been valued using the Black – Scholes method.

- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity, other than noting the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

RESOLUTION 18 – PROPOSED ISSUE OF SHARES TO VENEX CAPITAL CORP LTD

Resolution 18 seeks Shareholder approval for the issue of up to 24,000,000 Shares (at a deemed issued price of \$0.003 each) to Venex Capital Corp Ltd (**Venex**) or its nominee. Venex entered into a corporate advisory mandate with the Company on 1 August 2016 to provide management and corporate advisory services to the Company (**Venex Mandate**).

Pursuant to the terms of the Venex Mandate, the Company agreed to pay Venex for the provision of its services as follows:

- (a) a monthly retainer fee of \$5,000 per month; and
- (b) 24,000,000 Shares (at a deemed issued price of \$0.003 each).

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 18 will be to allow the Company to issue the Shares to Venex pursuant to the Venex Mandate during the period of 3 months after the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules), without diminishing the Company's 15% annual placement capacity.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares pursuant the Venex Mandate:

- (a) the maximum number of Shares to be issued is 24,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting;
- (c) the Shares will be issued at a deemed issue price of \$0.003 each;
- (d) the Shares will be issued for nil cash consideration as they are being issued as part consideration for the provision of services under the Venex Mandate. Accordingly, no funds will be raised from the issue;
- (e) the Shares will be issued to Venex Capital Corp Ltd or its nominee, which is not a related party of the Company; and
- (f) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue.

RESOLUTION 19 – PROPOSED ISSUE OF SHARES AND OPTIONS TO THE NEVADA CLAYS' VENDORS AND GOLD EXPLORATION MANAGEMENT INC.

Resolution 19 seeks Shareholder approval for the issue of:

- (a) 140,000,000 Shares at a deemed issue price of \$0.003 to the Nevada Clays' Vendors;
- (b) 140,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the Nevada Clays' Vendors; and
- (c) 35,000,000 Shares at a deemed issue price of \$0.003 to Gold Exploration Management Inc. (**GEM**).

As announced on 17 October 2016, the Company and Nevada Clays Pty Ltd (**Nevada**) entered into a term sheet pursuant to which the Company agreed to acquire 100% of the issued share capital of Nevada (**Nevada Term Sheet**). Nevada has entered into an assignment of an option agreement with GEM to acquire 100% interests in the New King Lithium Clay Project (**New King Project**) located in Nevada USA (**GEM Agreement**). Pursuant to the GEM Agreement, Nevada will acquire the New King Project by making staged cash and share based payments to GEM. Pursuant to the Nevada Term Sheet, Nevada will become a wholly owned subsidiary of the Company. Pursuant the Nevada Term Sheet, the Company will issue the following securities to acquire Nevada:

- (a) 140,000,000 Shares at a deemed issue price of \$0.003 to the Nevada Clays' Vendors;
- (b) 140,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the Nevada Clays' Vendors; and
- (c) 35,000,000 Shares at a deemed issue price of \$0.003 to GEM.

In addition, pursuant to the Nevada Term Sheet, the Company will pay GEM:

- (a) a cash payment of US\$15,000, on the first anniversary of the execution of the Nevada Term Sheet;
- (b) a cash payment of US\$20,000, on the second anniversary of the execution of the Nevada Term Sheet;
- (c) a cash payment of US\$25,000, on the third anniversary of the execution of the Nevada Term Sheet;

- (d) a cash payment of US\$35,000, on the fourth anniversary of the execution of the Nevada Term Sheet; and
- (e) a 2% net smelter royalty on production from the New King Project. The Company has the right to buy-back 1% of the royalty for the sum of US\$1m.

As noted above, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 19 will be to allow the Company to issue the Shares and Options to the Nevada Clays' Vendors and GEM as outlined above.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Shares pursuant the Nevada Term Sheet:

- (a) the maximum number of securities to be issued is as follows:
 - (i) 140,000,000 Shares at a deemed issue price of \$0.003 to the Nevada Clays' Vendors;
 - (ii) 140,000,000 Options exercisable at \$0.005 each on or before 30 June 2021 to the Nevada Clays' Vendors; and
 - (iii) 35,000,000 Shares at a deemed issue price of \$0.003 to GEM.
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that the issue will occur on the same date;
- (c) the Shares will be issued at a deemed issue price of \$0.003 each. The Shares and Options will be issued for nil cash consideration as they are being issued as part consideration for the acquisition of 100% of the issued share capital of Nevada. Accordingly, no funds will be raised from the issue;
- (d) the Shares and Options will be issued to the Nevada Clays' Vendors and GEM as set out above. Neither Nevada nor GEM are related parties of the Company; and
- (e) the Shares will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with the Company's existing Shares on issue. The Options will be issued on the terms and conditions set out in Schedule 1 of this Notice.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

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

ATC Vendors means Ridge Resources Ltd, Charles Michael Clifton Ryan, Tiffany Hilda Evans, Redcode Pty Ltd, Colleville Management Pty Ltd and Amber Plus Pty Ltd.

Auditor means the Company’s auditor from time to time (if any).

Auditor’s Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2016.

Award means an Option.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia, other than a Saturday, Sunday or public holiday in Perth, Western Australia.

Capital Raising means the capital raising announced by the Company on 4 July 2016, details of which have been provided in the Explanatory Memorandum.

Casual Employee means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with a Group Company.

Certificate means a certificate issued under the Plan in the form approved by the Board from time to time.

Chair means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Caeneus Minerals Limited ACN 082 593 235.

Constitution means the Company’s constitution, as amended from time to time.

Contractor means:

- (a) an individual with whom a Group Company has entered into a contract for the provision of services under which the individual performs work for a Group Company;
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for a Group Company, or
- (c) where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company.

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

Directors means the directors of the Company.

Director’s Report means the report of the Directors contained in the Annual Report for the year ended 30 June 2016.

Eligible Employee means an Employee whom the Board determines is to be issued Awards under the Plan.

Employee means a person who is a:

- (a) full-time or part-time employee of a Group Company (including an executive director);
- (b) a non-executive director of a Group Company;
- (c) Contractor; or
- (d) Casual employee.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an equity security.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

First Exercise Date with respect to an Option means:

- (a) the date specified in an Offer or Certificate;
- (b) subject to paragraph (c), if no date is specified in an Offer or Certificate, the date of issue of the Option; or
- (c) the date determined under the rules of the Plan (if any).

Group means the Company and its associated bodies corporate and **Group Company** means the Company or any of its associated bodies corporate.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Last Exercise Date with respect to an Option means:

- (a) the date specified in an Offer or Certificate;
- (b) subject to paragraph (c), if no date is specified in an Offer or Certificate, the date three years after the First Exercise Date; or
- (c) the date determined under the rules of the Plan (if any).

Listing Rules means the ASX Listing Rules.

Meeting means the annual general meeting convened by the Notice.

Nevada Clays' Vendors means Ridge Resources Ltd, Charles Michael Clifton Ryan, Tiffany Hilda Evans, Redcode Pty Ltd, Colleville Management Pty Ltd and Amber Plus Pty Ltd.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Offer means an offer made to an Eligible Employee to subscribe for one or more Options under the Plan.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Option Vesting Condition means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Certificate or Offer, which are, subject to these Rules, required to be satisfied, reached or met before an Option vests and can be exercised.

Participant means an Eligible Employee to whom Options have been granted under the Plan, or if applicable, a nominee of the Eligible Employee to whom Options have been granted under the Plan.

Plan means the Caeneus Minerals Ltd Employee Equity Incentive Plan.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2016.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Resolution means a resolution contained in the Notice.

Securities means Shares and Options.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Schedule 1 – Option Terms and Conditions

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (AWST) on 30 June 2021 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Option is \$0.005 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised; (**Exercise Notice**).
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the Listing Rules, all applicable laws and any restriction or escrow arrangements, the Options may be transferred at any time prior to the Expiry Date.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares then on issue.
- (j) The Company will not apply for quotation of the Options on ASX. However, if admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed or reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction or reorganisation.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Subject to paragraph (k), an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

Schedule 2 – Summary of the Caeneus Minerals Ltd Employee Equity Incentive Plan

Under the Plan, the Board may offer the opportunity to full-time, part-time and casual employees (including executive directors), certain contractors and non-executive directors of a Group Company to participate in the Plan and subscribe for such number of Awards as the Board may decide and on the terms set out in the rules of the Plan. Awards granted under the Plan will be offered on the basis of the Board's view of the Eligible Employee's length of service with the Group, their contribution to the Group and any other matter the Board considers relevant.

Awards may be issued subject to grant or vesting conditions, which must be satisfied (or waived) before either the Options can be exercised.

Terms and Conditions of Options: The Board may, in its absolute discretion, determine the terms and conditions of the Options to be offered to Eligible Employees under the Plan, including the issue price, exercise price, final acceptance date, First Exercise Date, Last Exercise Date and any grant or Option Vesting Conditions which need to be fulfilled before the Options may be exercised.

Form of Offer: An Offer must be made in an offer document. The offer document must include various information, including:

- (a) the maximum number of Awards which the Eligible Employee may apply for;
- (b) the grant conditions (if any) attaching to the Awards the subject of the Offer;
- (c) the issue price (if any) or the manner of determining the issue price (if any) of the Options the subject of the Offer; and
- (d) details of Option Vesting Conditions (if any) attaching to the Options the subject of the Offer.

Not transferable: Options are not transferable (except in certain circumstances to an Option holder's legal personal representative).

No payment for grant of Options: An Eligible Employee will not pay anything for the grant of Options (unless the Board determines otherwise). The Eligible Employee must pay the relevant exercise price to the Company to exercise the Options into Shares.

Not listed: The Company will not apply for quotation of the Options on ASX.

Exercise of Options: Subject to any exercise conditions set by the Board, Options may be exercised at any time before the relevant expiry date. If there is a change of control event (i.e. a shareholder or group of shareholders, becoming entitled to sufficient Shares in the Company to give it the ability, and that ability is successfully exercised in general meeting, to replace all or a majority of the Board); it is during a bid period or on application under section 411 of the Corporations Act a court orders a scheme meeting for the reconstruction of the Company or the amalgamation of the Company either another company, Options will be exercisable notwithstanding exercise conditions may not have been met.

Ranking of Shares: All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares then on issue.

Pro-rata issues, bonus issues, reorganisations of capital and winding up:

- (a) Options do not carry any rights to the holder to participate in any issue of securities to existing Shareholders.
- (b) If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date of the bonus issue.
- (c) If there is a pro-rata issue (other than a bonus issue) to Shareholders, the exercise price of the Options will be reduced according to the formula provided in the Listing Rules.
- (d) If there is reorganisation of the issued capital of the Company, then the rights of the Option holder (including the number of Options to which the Option holder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation or capital at the time of the reorganisation.
- (e) If a resolution for a members voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the option holder of the proposed resolution. Subject to the exercise conditions of the Options, the option holder may, in the period referred to in the Notice, exercise their Options.

Lapse of Options:

Unless otherwise specified in the Option Vesting Conditions or determined otherwise by the Board, an Option lapses on the earlier of:

- (a) the Board determining that any Option Vesting Condition applicable to the Option has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
- (b) the day immediately following the Last Exercise Date; or
- (c) the Option lapsing in accordance with rules 12, 13 and 14 of the Plan, which concern the cessation of employment, change of control events and breach, fraud or misconduct.

Where a Participant's Options have lapsed, all rights of a Participant under the Option Plan in respect of those Options are forfeited and the Company will notify the Participant that the Options have lapsed and cancel the Options.

Amendments of Plan: Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Board (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the rules of the Plan in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

Schedule 3 – Option Terms and Conditions for Options issuable under Plan to Mr Elliott, Mr Bowker and Mr Nottas

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) Each Option will expire at 5.00pm (AWST) on 30 June 2021 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) Subject to paragraph (k), the amount payable upon exercise of each Option is \$0.005 (**Exercise Price**).
- (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;**(Exercise Notice)**.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) Subject to the Listing Rules, all applicable laws and any restriction or escrow arrangements, the Options may be transferred at any time prior to the Expiry Date.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares then on issue.
- (j) The Company will not apply for quotation of the Options on ASX. However, if admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed or reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction or reorganisation.
- (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) Subject to paragraph (k), an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.



ACN 082 593 235

PROXY FORM

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.30 am (AWST), on 30 November 2016 at Suite Somerville Advisory Group, Suite 4, Ground Floor, 56 Kings Park Road, West Perth WA 6005, and at any adjournment thereof.

The Chairman intends to vote undirected proxies in favour of each Resolution even if that Resolution is connected directly or indirectly with the Remuneration of a member of Key Management Personnel. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 : Non-Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 : Election of Mr Steven Elliott as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 : Re-election of Mr Michael Nottas as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 : Ratification of Issue of Shares to sophisticated and professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 : Proposed issue of Options to sophisticated and professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 : Proposed issue of Options to Barclay Wells Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 : Ratification of issue of Shares to the ATC Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 : Proposed issue of Shares to the ATC Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 : Proposed issue of Options to the ATC Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 : Ratifications of Issue of Shares to Gold Exploration Management Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 : Proposed issue of Shares to Gold Exploration Management Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 : Ratification of Issue of Shares to Segue Resources Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13 : Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14 : Grant of Options to Mr Steven Elliot	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15 : Grant of Options to Mr Keith Bowker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16 : Grant of Options to Mr Michael Nottas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17 : Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 18 : Proposed issue of Shares to Venex Capital Corp Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 19 : Proposed issue of Shares and Options to the Nevada Clays' Vendor and Gold Exploration Management Inc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____ **Contact ph (daytime):** _____

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Advanced Share Registry , PO Box 1156 Nedlands WA 6909; or
 - (b) facsimile to the Registry on facsimile number +61 8 9262 3723so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.