

A1 CONSOLIDATED GOLD LIMITED
ACN 149 308 921

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting
11 November 2015

Time of Meeting
1:00pm (WST)

Place of Meeting
The Celtic Club
48 Ord Street
West Perth WA 6005

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

The **2015 Annual Report** may be viewed on the Company's website at www.a1consolidated.com.au

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

Notice is hereby given that the annual general meeting of Shareholders of A1 Consolidated Gold Limited (**Company**) will be held at The Celtic Club, 48 Ord Street, West Perth WA 6005 on 11 November 2015 at 1:00pm (WST) (**Meeting**) for the purpose of transacting the following business in each case, as more particularly described in the Explanatory Statement accompanying this Notice.

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

Financial Statements and Reports

To receive and consider the Financial Report, together with the Directors' Report and Auditor's Report for the financial year ended 30 June 2015.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, for the purpose of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2015 Annual Report be adopted."

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

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

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

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

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

RESOLUTION 2 – RE-ELECTION OF MR DALE ROGERS AS A DIRECTOR

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

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

RESOLUTION 3 – RE-ELECTION OF MR ANTHONY GRAY AS A DIRECTOR

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

"That, for the purpose of clause 6.3 of the Constitution and for all other purposes, Mr Anthony Gray, who was appointed to the Board since the previous general meeting of the Company, retires as a Director, and being eligible, having offered himself for re-election, is re-elected as a Director."

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

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

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

Voting Exclusion: For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast on this Resolution by any person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any of their Associates,

unless it is cast:

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

RESOLUTION 5 – APPROVAL OF FINANCIAL ASSISTANCE

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

“That for the purposes of section 260B(2) of the Corporations Act and for all other purposes, approval is given for the Financial Assistance to be provided by the Acquired Companies, subsidiaries of the Company, in connection with the Acquisition as described in the Explanatory Statement.”

RESOLUTION 6 – APPROVAL OF GRANT OF OPTIONS TO DENNIS CLARK

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

“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to issue up to 9,000,000 Options to Dennis Clark, or his nominees, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Dennis Clark and any of his Associates, unless it is cast:

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

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

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

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

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

RESOLUTION 7 – APPROVAL OF GRANT OF OPTIONS TO DALE ROGERS

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

“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to issue up to 6,000,000 Options to Dale Rogers, or his nominees, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Dale Rogers and any of his Associates, unless it is cast:

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

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

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

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

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

RESOLUTION 8 – APPROVAL OF GRANT OF OPTIONS TO JAMES CULLEN

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

“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to issue up to 4,500,000 Options to James Cullen, or his nominees, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by James Cullen and any of his Associates, unless it is cast:

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

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

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

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

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

RESOLUTION 9 – APPROVAL OF GRANT OF OPTIONS TO ANTHONY GRAY

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

“That, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company to issue up to 4,500,000 Options to Anthony Gray, or his nominees, for nil consideration on the terms and conditions as set out in the Explanatory Statement.”

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion: For the purposes of Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Anthony Gray and any of his Associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction

on the proxy form to vote as the proxy decides).

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

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such a member.

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

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

By Order of the Board



Dennis Wilkins
Company Secretary

Date: 7 October 2015

OTHER BUSINESS

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

EXPLANATORY STATEMENT

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

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

PROXIES

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

Please note that:

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

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 1:00pm (WST) on 9 November 2015 by:

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

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

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of Shareholders as at 1:00pm (WST) on 9 November 2015. Accordingly, transactions registered after that time will be disregarded in determining Shareholder' entitlements to attend and vote at the AGM.

CORPORATE REPRESENTATIVE

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

ELECTRONIC COMMUNICATION

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

REVOCAION OF PROXIES

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

which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING OF PROXIES

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

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

For personal use only

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2015 AGM.

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

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

Financial statements and reports

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

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

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

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

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

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit;

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

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

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

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive AGMs.

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

The Company's Remuneration Report did not receive a Strike at the 2014 AGM. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2016 AGM, this may result in the re-election of the Board.

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

1.2 Voting on the Remuneration Report

In accordance with the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

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

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

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

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

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

RESOLUTION 2 – RE-ELECTION OF MR DALE ROGERS AS A DIRECTOR

2.1 General

Mr Dale Rogers was appointed as the non-executive Chair on 23 November 2014. The Board considers Mr Rogers to be an independent director.

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Directors (other than the managing director) retire from office at each AGM.

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

Accordingly, Mr Dale Rogers will retire by rotation at this Meeting and, being eligible, offers himself for re-election. Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's biography and experience

Mr Rogers has over 26 years' experience in the mining industry, commencing in Kalgoorlie and Kambalda in the 1980's where he managed several underground mines for WMC before moving to the new project development of WMC's Mt Keith Operations during the pre strip and the first year of ore production in the mid 1990's. At the time, this was the largest contractor earthmoving operation by volume in the southern hemisphere. He has developed and managed operations in Australia and overseas, including taking Albidon Limited as Managing Director from a junior explorer with a market capitalisation of \$40m in 2005 to a market capitalisation of almost \$1 billion in 2008.

Mr Rogers is a founding Director and Chairman of ASX listed companies Phoenix Gold Limited and Primary Gold Limited.

2.3 Directors' recommendation

All the Directors except Mr Dale Rogers recommend that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MR ANTHONY GRAY AS A DIRECTOR

3.1 General

Mr Anthony Gray was appointed as a non-executive Director on 25 June 2015. As Mr Gray is the managing director of Octagonal Resources Limited, a substantial Shareholder of the Company, the Board does not consider Mr Gray to be an independent director.

In accordance with clause 6.3(i) of the Company's Constitution, a Director appointed as an addition to the Board by the other Directors may retire at the next general meeting but is eligible for re-election at that meeting.

Accordingly, Mr Gray, who was appointed by the other Directors, now retires and, being eligible, offers himself for election as a Director.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

3.2 Director's biography and experience

Mr Anthony Gray is a geologist with over 20 years' experience in the Australian mining industry, where he has been involved in exploration for greenstone and slate belt hosted orogenic gold deposits, komatiitic nickel sulphide and laterite deposits, and porphyry copper-gold deposits. Mr Gray has previously worked for WMC Ltd (Nifty Copper, Central Norseman Gold and St Ives Gold), Barra Resources Ltd, Breakaway Resources Ltd and Gandel Metals Pty Ltd. During his career he has contributed to the discovery and/or definition of numerous mineral deposits including the Lady Miller, Gladstone and Daisy gold deposits at Norseman, the Chameleon gold deposit at Goongarrie, the Martins Zone nickel laterite deposit and various gold deposits in the Riverina district (WA) and the 5A and 5B nickel sulphide deposits at Kambalda.

Mr Gray is the managing director of Octagonal Resources Limited.

3.3 Directors' recommendation

All the Directors except Mr Anthony Gray recommend that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF 10% PLACEMENT FACILITY

4.1 General

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

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) below).

4.2 Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue four classes of Equity Securities, being listed Shares, listed Options, one class of unlisted convertible notes and one class of unlisted Options.

(c) Formula for calculating 10% Placement Facility

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

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

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

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

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

D is 10%.

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

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

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

At the date of this Notice, the Company has on issue 446,356,265 Shares and has a capacity to issue:

- (i) 66,953,439 Equity Securities under Listing Rule 7.1; and
- (ii) 44,635,626 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 4.2(c) above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days (on which trades in that class were recorded) immediately before:

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

(f) *10% Placement Period*

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

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

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

4.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

4.4 Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days (on which trades in that class were recorded) immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

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

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer), or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0185 50% decrease in Issue Price	\$0.037 Issue Price	\$0.074 100% increase in Issue Price
Current Variable A 446,356,265 Shares	10% voting dilution	44,635,626 Shares		
	Funds raised	\$825,759	\$1,651,518	\$3,303,036
50% increase in current Variable A 669,534,398 Shares	10% voting dilution	66,953,439 Shares		
	Funds raised	\$1,238,638	\$2,477,277	\$4,954,554
100% increase in current Variable A 892,712,530 Shares	10% voting dilution	89,271,253 Shares		
	Funds raised	\$1,651,518	\$3,303,036	\$6,606,072

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.037, being the closing price of Shares on the ASX on 6 October 2015.

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- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- cash consideration. In which case, the Company may use the funds raised towards furthering the A1 Gold Mine and the Union Hill mine (Maldon Gold Operation) and towards its working capital requirements; or
 - non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investment or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A3.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - the effect of the issue of the Equity Securities on the control of the Company;
 - the financial situation and solvency of the Company; and
 - advice from corporate, financial and broking advisers (if applicable).
- (g) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an Associate of a related party of the Company.
- Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.
- (h) The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its AGM held on 25 November 2014.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 573,851,714, representing 279.45% of the Equity Securities on issue at the commencement of the 12 month period. The Company has issued the following equity securities in the 12 months preceding the date of this Notice of Meeting:

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
03/11/2014	73,333,334	Fully paid ordinary shares	\$0.03	14.3%	\$2,200,000	Pursuant to an entitlements offer dated 2 October 2014
03/11/2014	21,400,000	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	N/A	Nil	Part consideration to the Underwriter of the entitlements offer dated 2 October 2014
06/11/2014	84,177	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	N/A	Nil	Part consideration to the Underwriter of the entitlements offer dated 2 October 2014
25/11/2014	30,048,516	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	N/A	Nil	Part consideration to the Underwriter of the entitlements offer dated 2 October 2014
16/12/2014	17	Fully paid ordinary shares	\$0.03	14.3%	\$0.03	Exercise of listed options
19/12/2014	82,961,731	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Bonus issue of one listed option for every three fully paid ordinary shares held

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
14/01/2015	9,000,000	Unlisted options, exercisable at \$0.05 expiring 30 November 2019	Nil	N/A	Nil	Executive options as approved at the AGM 25 November 2014
27/01/2015	16,666,666	Fully paid ordinary shares	\$0.03	25.0%	\$500,000	Pursuant to shortfall under entitlements offer dated 2 October 2014
11/02/2015	10,000,000	Fully paid ordinary shares	\$0.03	21.1%	\$300,000	Placement
11/02/2015	3,333,333	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Bonus issue for placement shares
11/02/2015	5,555,553	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Bonus issue for shortfall shares issued 27 January 2015 under entitlements offer dated 2 October 2014
25/06/2015	169,672,726	Fully paid ordinary shares	\$0.03	16.7%	Maldon Gold Operation - current value of shares issued is \$6,277,891 (based on closing price of Shares on the ASX on 6 October 2015)	Consideration pursuant to share sale agreement with Octagonal Resources Limited
25/06/2015	56,557,576	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Consideration pursuant to share sale agreement with Octagonal Resources Limited
25/06/2015	12,857,136	Convertible notes face value \$0.035 maturity 25 June 2018	\$0.035	N/A	\$450,000	Consideration for conversion of short term loans
25/06/2015	4,285,710	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Consideration for conversion of short term loans
25/06/2015	58,571,429	Convertible notes face value \$0.035 maturity 25 June 2018	\$0.035	N/A	\$2,050,000	Convertible note placement
25/06/2015	19,523,810	Listed options, exercisable at \$0.03 expiring 30 November 2019	Nil	100%	Nil	Attaching options for convertible note placement

- (i) The Company has spent \$5,295,000 of the funds it has raised in the 12 months preceding the date of this Notice on advancing the decline to the 1400 Stockwork ore zone, updating the Stage 1 Scoping Study, undertaking an entitlements offer and bonus issue of options, completing the Acquisition and the Convertible Note Placement, and corporate expenses. The intended use of the remaining funds is to continue to advance the A1 Gold Mine to production.
- (j) A voting exclusion statement is included in the Notice.
- (k) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

4.5 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

RESOLUTION 5 – APPROVAL OF FINANCIAL ASSISTANCE

5.1 Background

On 29 December 2014, the Company announced that it had entered into the Share Sale Agreement with Octagonal whereby the Company would purchase the Maldon Gold Operation from Octagonal via the purchase of all the issued share capital of the Acquired Companies. As consideration for the Acquisition, the Company issued 169,672,726 Shares and 56,557,576 listed Options to Octagonal.

The Acquisition was conditional upon the satisfaction of several conditions precedent, including the Company completing a capital raising of at least \$2,400,000 through the issue of Equity Securities. To satisfy that condition precedent, the Company completed the Convertible Note Placement.

Shareholders considered and passed resolutions approving the Acquisition and the Convertible Note Placement at a general meeting of the Company held on 25 June 2015. Full details of the Acquisition and the Convertible Note Placement, including a summary of the terms of the Convertible Notes, are set out in the Company's notice of meeting and explanatory memorandum dated 26 May 2015.

As part of the Convertible Note Placement, the Company entered into the General Security Deed and Mining Mortgage, pursuant to which the Company granted the Secured Party (as trustee for the Noteholders) a first ranking security interest over the property of the Company together with a first ranking mortgage over a tenement of the Company, being the mining license known as MIN5294. The relevant property of the Company includes the A1 Gold Mine.

Pursuant to the terms of the Convertible Note Agreements, the Company is also obliged to enter into the Maldon Security Deed and Mining Mortgage prior to 30 November 2015. Under the Maldon Security Deed and Mining Mortgage, it is proposed that the Acquired Companies will grant to the Secured Party (as trustee for the Noteholders) a first ranking security interest over the property of the Acquired Companies together with a first ranking mortgage over certain tenements of the Acquired Companies. The current property of the Acquired Companies includes the Maldon Treatment Plant.

Both deeds grant security over the present and future acquired property of the Company and Acquired Companies.

By granting the Secured Party (as trustee for the Noteholders) security under the Maldon Security Deed and Mining Mortgage, the Acquired Companies are deemed under Part 2J.3 of the Corporations Act to be providing financial assistance to acquire their own shares (**Financial Assistance**).

5.2 Why Shareholder approval is required

Under section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by the shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

The shareholder of the Acquired Companies has passed or will pass resolutions approving the giving of the Financial Assistance as required pursuant to sections 260A(1)(b) and 260B(1) of the Corporations Act.

Pursuant to section 260B(2) of the Corporations Act, as each of the Acquired Companies is a subsidiary of the Company and the Company is a listed domestic corporation, the giving of Financial Assistance requires the approval of Shareholders by special resolution .

It is proposed that the Financial Assistance now be approved by special resolution of the Shareholders of the Company, which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.3 Effect of the Financial Assistance

The purpose of the giving of the Financial Assistance is to enable the Company to continue to comply with its obligations under the Convertible Note Agreements and, after the AGM, to enable the Company and the Acquired Companies to enter into the Maldon Security Deed and Mining Mortgage.

5.4 Advantages and disadvantages of the proposed Resolution

The **advantage to the Company** of the Acquired Companies providing Financial Assistance is that the Company will be able to complete the strategy with respect to the Acquisition and the Convertible Note Placement that was approved by the Shareholders at the last general meeting of the Company held on 25 June 2015. The Company has already received the funds raised by the Convertible Note Placement and those funds have been utilized to fund the acquisition of the Maldon Gold Operation and to continue to advance the A1 Gold Mine to production.

If the Financial Assistance is not given, the Company may be considered to be in breach of its obligations and therefore liable to repay the outstanding monies owed pursuant to the Convertible Note Agreements.

The **advantage to the Acquired Companies** of providing the Financial Assistance is that the Acquired Companies will have indirect access to the funding provided to the Company under the Convertible Note Placement.

As the Company is already liable for, and has provided security in connection with the Convertible Notes, the Directors do not believe that there are any **disadvantages to the Company** with respect to the giving of the Financial Assistance, except that, as noted below, the operations of the Acquired Companies will be restricted by the representations and covenants given by them under the Maldon Security Deed and Mining Mortgage.

The **disadvantages to the Acquired Companies** of giving the Financial Assistance include:

- (a) their assets will be subject to security, and their operations and ability to independently obtain finance will be restricted by the representations and covenants given by them under the Maldon Security Deed and Mining Mortgage; and
- (b) if there is a default by the Company under the Convertible Note Agreements, the Noteholders may demand immediate repayment of the monies payable and enforce the security over the assets of the Acquired Companies.

5.5 Prior notice to the ASIC

A copy of this Notice of Meeting was lodged with the ASIC before being sent to Shareholders, as required by section 260B(5) of the Corporations Act.

5.6 Disclosure

The Directors consider that this Explanatory Statement contains all information known to the Company that would be material to the decision of Shareholders on how to vote on the Financial Assistance set out in Resolution 5, other than information which would be unreasonable to include because it had previously been disclosed to Shareholders.

5.7 Directors' recommendation

The Directors have considered the advantages and disadvantages of the giving of the Financial Assistance described in Section 5.2 above and are of the opinion that there are reasonable grounds to believe that the Financial Assistance is in the best interests and for the commercial benefit of the Company and each Acquired Company.

For the reasons set out above, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5 to approve the giving of Financial Assistance.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

RESOLUTIONS 6 TO 9 – APPROVAL OF GRANT OF OPTIONS TO DIRECTORS

6.1 General

The Company proposes to grant a total of 24,000,000 Options to Directors, or their nominees, for nil consideration as follows:

Name	Number of Options	Exercise Price	Expiry Date	Vesting
Dennis Clark	9,000,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 AGM	30/11/2019	3,000,000 upon achievement of the First Performance Goal 3,000,000 after 12 months service and upon achievement of the Second Performance Goal 3,000,000 after 24 months service and upon achievement of the Third Performance Goal
Dale Rogers	6,000,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 AGM	30/11/2019	2,000,000 upon achievement of the First Performance Goal 2,000,000 after 12 months service and upon achievement of the Second Performance Goal 2,000,000 after 24 months service and upon achievement of the Third Performance Goal
James Cullen	4,500,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 AGM	30/11/2019	1,500,000 upon achievement of the First Performance Goal 1,500,000 after 12 months service and upon achievement of the Second Performance Goal 1,500,000 after 24 months service and upon achievement of the Third Performance Goal
Anthony Gray	4,500,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 AGM	30/11/2019	1,500,000 upon achievement of the First Performance Goal 1,500,000 after 12 months service and upon achievement of the Second Performance Goal 1,500,000 after 24 months service and upon achievement of the Third Performance Goal

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

Directors of public companies face considerable ongoing responsibilities and challenges in their roles within the Company. The grant of these Options will provide a mid to long term incentive for outstanding performance and promote opportunities for Share ownership in the Company. The Directors consider that the incentive represented by the grant of these Options is a cost effective and efficient means for the Company to provide reward and incentive.

Following the requisite shareholder approvals, the Options will be granted as soon as possible following the Meeting and in any event no later than 1 month from the date of the Meeting. The Options will vest on the achievement of the vesting conditions as set out in the table above.

The exercise price will only be known after the market closes on the date of the 2015 AGM. Assuming the exercise price was calculated on the basis of the five days prior to the date of this Notice, the exercise price would be \$0.059. On that basis, in the event all the Options are exercised, the Directors or their nominees will need to pay a total of \$1,416,000 to the Company.

Resolutions 6 to 9 are required to be approved in accordance with section 208 of the Corporations Act and Listing Rule 10.11 to issue securities to Directors, being related parties of the Company. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

6.2 Chapter 2E of the Corporations Act – related party transactions

The issue of Options to Directors constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

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

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

For the purposes of Chapter 2E, the Directors are related parties of the Company by virtue of section 228(2) of the Corporations Act and the granting of Options would constitute the giving of a financial benefit. The Board considers that the grant of the Options to each of the Directors is a reasonable component of their remuneration. The financial benefit represented by the grant of the Options arguably falls within the 'reasonable remuneration' exception contained in section 211 of the Corporations Act and therefore may not require approval by Shareholders for the purposes of Chapter 2E of the Corporations Act. Nevertheless, the Board has determined that, in the interests of good governance, it would seek Shareholder approval for these purposes.

For the purpose of obtaining Shareholder approval, and in accordance with the requirements of Chapter 2E of the Corporations Act, and in particular section 219, the following information is provided to Shareholders to allow them to assess whether or not to approve the grant of the Options to Directors under Resolutions 6 to 9.

Identity of the related party

The related parties of the Company to which a financial benefit may be given under Resolutions 6 to 9 are Dennis Clark, Dale Rogers, James Cullen and Anthony Gray, Directors of the Company.

Nature of, reasons for and basis for the financial benefit

The financial benefits to be provided to Directors under Resolutions 6 to 9 are Options. A copy of the terms and conditions of the Options is annexed as Annexure A. The Directors will not be required to make any payment for the grant of the Options. The maximum number of Options that could vest, and hence be exercised by the Directors under Resolutions 6 to 9, are set out in Table 1.

The Options form part of the Director incentive for continuing and future efforts. Each Director believes that the issue of the Options proposed in Resolutions 6 to 9 is appropriate and reasonable in the circumstances because:

- (a) the Company needs to attract high calibre individuals with the necessary experience and qualifications;
- (b) the payment of monetary fees alone is not an adequate incentive to enable the Company to attract and keep these high calibre individuals;
- (c) the issue of the Options (including the amount and value) forms part of a reasonable remuneration package; and
- (d) the issue of the Options, and the subsequent potential for the acquisition of Shares, is the most cost effective and efficient means to align the interests of the Company and its Directors, providing them with reward and incentive.

The number of Options to be offered to Dennis Clark, Dale Rogers, James Cullen and Anthony Gray has been determined based upon a consideration of:

- (a) their remuneration; and
- (b) the incentives required to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Having regard to the above factors, the respective numbers of Options were chosen by the Board as an appropriate number to attract, retain and remunerate for Dennis Clark's, Dale Roger's, James Cullen's and Anthony Gray's respective skills and experience.

Directors' recommendations to members and reasons

All Directors except Dennis Clark recommend that Shareholders vote in favour of Resolution 6 as they believe the granting of these Options to Dennis Clark will align his rewards with the long-term creation of value for Shareholders. Dennis Clark has a material personal interest in the outcome of Resolution 6 and declines to make a recommendation in relation to Resolution 6.

All Directors except Dale Rogers recommend that Shareholders vote in favour of Resolution 7 as they believe the granting of these Options to Dale Rogers will align his rewards with the long-term creation of value for Shareholders. Dale Rogers has a material personal interest in the outcome of Resolution 7 and declines to make a recommendation in relation to Resolution 7.

All Directors except James Cullen recommend that Shareholders vote in favour of Resolution 8 as they believe the granting of these Options to James Cullen will align his rewards with the long-term creation of value for Shareholders. James Cullen has a material personal interest in the outcome of Resolution 8 and declines to make a recommendation in relation to Resolution 8.

All Directors except Anthony Gray recommend that Shareholders vote in favour of Resolution 9 as they believe the granting of these Options to Anthony Gray will align his rewards with the long-term creation of value for Shareholders. Anthony Gray has a material personal interest in the outcome of Resolution 9 and declines to make a recommendation in relation to Resolution 9.

Directors' interests in the outcome of the Resolutions

If Resolutions 6 to 9 are passed, the Directors will become entitled to the Options as set out in Table 1 together with the rights and entitlements associated with being a holder of such Options.

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

- (a) The proposed Resolutions would have the effect of giving power to the Directors to grant the number of Options specified in Table 1 to the relevant Directors specified in Table 1.
- (b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Statement and as otherwise mentioned above.
- (c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 3. The valuation cannot be finalised until the date of the AGM.
- (d) The total value of the Options to be issued is outlined in Table 1. If Options granted to the Directors are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.
- (e) As at the date of this Notice, the issued capital of the Company comprised 446,356,265 Shares. If all Options granted as proposed above are exercised, assuming all existing Options on issue have been exercised, assuming all existing convertible notes on issue have been converted and assuming no other Share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per the following table:

	Existing Securities
Shares, Options and convertible notes	750,535,219
Resolutions 6 to 9 – Options to be granted	24,000,000
New Total	774,535,219
Dilutionary Effect	3.2%

- (f) The Directors' current interests in securities of the Company are detailed in Table 2.
- (g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- (h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since 21 June 2012. In the twelve months prior to the date of this notice the Shares have traded in the range of \$0.025 to \$0.054. The most recent closing price prior to the

date of this Notice was \$0.042. The Options are capable of being converted to Shares by payment of the exercise price.

- (i) Mr Clark currently receives a salary of \$270,000 per annum, exclusive of superannuation. Mr Rogers currently receives director fees of \$75,000 per annum, inclusive of superannuation. Mr Cullen and Mr Gray each receive director fees of \$40,000 per annum, exclusive of superannuation.
- (j) Under the Australian equivalent of the International Financial Reporting Standards, 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 Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company, in granting the Options to Directors or their nominees pursuant to Resolutions 6 to 9.
- (k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this Resolution.

6.3 Information required by Listing Rule 10.13

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Statement for that purpose.

- (a) The Options will be granted to the Directors (or their nominees), as noted in Table 1.
- (b) The maximum number of Options to be granted pursuant to Resolutions 6 to 9 is 24,000,000.
- (c) The Options will be allotted and granted on a date which will be no later than 1 month after the date of the Meeting.
- (d) The exercise price and other terms and conditions of the Options are set out in Annexure A to this Explanatory Statement.
- (e) The Options will be granted for no consideration and accordingly no funds will be raised by the grant of the Options.
- (f) A voting exclusion statement is included in this Notice.

Table 1 - Details of Options to be issued to related party

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Dennis Clark	Managing Director	9,000,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the 2015 AGM	30/11/2019	3,000,000 upon achievement of the First Performance Goal 3,000,000 after 12 months service and upon achievement of the Second Performance Goal 3,000,000 after 24 months service and upon achievement of the Third Performance Goal	\$234,000
Dale Rogers	Non-executive Chair	6,000,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the 2015 AGM	30/11/2019	2,000,000 upon achievement of the First Performance Goal 2,000,000 after 12 months service and upon achievement of the Second Performance Goal 2,000,000 after 24 months service and upon achievement of the Third Performance Goal	\$156,000
James Cullen	Non-executive Director	4,500,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 AGM	30/11/2019	1,500,000 upon achievement of the First Performance Goal 1,500,000 after 12 months service and upon achievement of the Second Performance Goal 1,500,000 after 24 months service and upon achievement of the Third Performance Goal	\$117,000
Anthony Gray	Non-executive Director	4,500,000	the greater of 0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's	30/11/2019	1,500,000 upon achievement of the First Performance Goal 1,500,000 after 12 months service and upon achievement of the Second	\$117,000

			2015 AGM		Performance Goal 1,500,000 after 24 months service and upon achievement of the Third Performance Goal	
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Table 2 - Details of current holdings of securities in the Company

Director	Shares	Options	Convertible notes
Dennis Clark	23,730,325	9,654,554	Nil
Dale Rogers	Nil	Nil	Nil
James Cullen	1,129,760	1,575,000	1,428,571
Anthony Gray	Nil	Nil	Nil

Table 3 - Option valuation details

Details	Input
Share price	\$0.042
Exercise Price	\$0.059*
Risk Free Rate (RBA Cash Rate)	2.19%
Volatility (Annualised)	93.7%
Start Date	18 September 2015
Expiry Date	30 November 2019
Value per Option	\$0.026

* Based on the greater of \$0.045 and the 5 day VWAP of the fully paid ordinary shares 5 days prior to the date of this Notice, being \$0.059.

GLOSSARY

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

"**10% Placement Facility**" has the meaning given in Section 4.1;

"**10% Placement Period**" has the meaning given in Section 4.2(f);

"**A1 Gold Mine**" means A1 Gold's flagship gold mine near Woods Point, Victoria;

"**Acquired Companies**" means Maldon Resources Pty Ltd ACN 909 458 665, Highlake Resources Pty Ltd ACN 062 487 585 and Matrix Gold Pty Ltd ACN 116 500 308;

"**Acquisition**" means the purchase by A1 Gold from Octagonal of all the issued share capital of the Acquired Companies pursuant to the Share Sale Agreement;

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

"**Annualised Rate**" means an annualised rate of 150,000 tonnes per annum of mill throughput at the Maldon Treatment Plant;

"**Annual Report**" means the Directors' Report, the Financial Report and Auditor's Report, in respect of the financial year ended 30 June 2015;

"**ASIC**" means the Australian Securities and Investments Commission;

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

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

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

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

"**Cashflow Positive Status**" means more cash in the Company's bank accounts at the end of the relevant period than at the beginning of the relevant period;

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

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

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

"**Convertible Note**" means a convertible note with a face value of \$0.035 issued by the Company on 25 June 2015;

"**Convertible Note Agreements**" means the convertible note agreements entered into by the Company and clients of Patersons Securities Limited in May 2015 to issue the Convertible Notes;

"**Convertible Note Placement**" means the issue of 71,428,565 Convertible Notes and 23,809,520 attaching listed Options on 25 June 2015 to clients of Patersons Securities Limited, including Squadron Resources Pty Ltd (formerly Minderoo Resources Pty Ltd), pursuant to the Convertible Note Agreements;

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

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

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

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

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

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

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

"**Financial Assistance**" has the meaning set out in Section 5.1 of the Explanatory Statement;

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

"**First Performance Goal**" means the achievement of Cashflow Positive Status over any six month period, provided that each of five months of the relevant six month period achieve Cashflow Positive Status;

"**General Security Deed and Mining Mortgage**" means the general security deed and mining mortgage entered into by the Company and Squadron Resources Pty Ltd (as trustee for the Noteholders) dated 25 June 2015;

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

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

"**Maldon Gold Operation**" means A1 Gold's gold operation at Maldon, Victoria, including the Union Hill mine and the Maldon Treatment Plant;

"**Maldon Security Deed and Mining Mortgage**" means the security deed and mining mortgage between the Company, Squadron Resources Pty Ltd (as trustee for the Noteholders) and the Acquired Companies proposed to be entered into prior to 30 November 2015;

"**Maldon Treatment Plant**" means the carbon in leach gold processing plant located near the township of Maldon, Victoria, on the mining license known as MIN5146;

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

"**Noteholder**" means the holder of a Convertible Note;

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

"**Octagonal**" means Octagonal Resources Limited ACN 147 300 418;

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

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

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

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

"**Second Performance Goal**" means the achievement of the Annualised Rate over any 6 month period, provided that each of 5 months of the relevant 6 month period achieve the Annualised Rate;

"**Secured Party**" means Squadron Resources Pty Ltd in its capacity as trustee for the Noteholders;

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

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

"**Share Sale Agreement**" means the share sale agreement dated 24 December 2014 between Octagonal and A1 Gold relating to the Acquisition and any amendments or variations to that agreement;

"**Spill Resolution**" has the meaning set out in Section 1.1 of the Explanatory Statement;

"**Strike**" has the meaning set out in Section 1.1 of the Explanatory Statement;

"**Third Performance Goal**" means the Company's volume weighted average Share price, calculated over 20 consecutive Trading Days any time up to and including the expiry date of the Options, being \$0.126 or above;

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

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

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS EXPIRING 30 NOVEMBER 2019

1. Entitlement

- (a) Each director of the company (**Eligible Person**) has been offered options in the Company on the terms and conditions set out below.
- (b) **First Performance Goal** means the achievement of Cashflow Positive Status over any 6 month period, provided that each of 5 months of the relevant 6 month period achieve Cashflow Positive Status.
- Second Performance Goal** means the achievement of the Annualised Rate over any 6 month period, provided that each of 5 months of the relevant 6 month period achieve the Annualised Rate.
- Third Performance Goal** means the Company's volume weighted average share price, calculated over 20 consecutive trading days any time up to and including the Expiry Date, being \$0.126 or above.
- Cashflow Positive Status** means more cash in the Company's bank accounts at the end of the relevant period than at the beginning of the relevant period.
- Annualised Rate** means an annualised rate of 150,000 tonnes per annum of mill throughput at the Maldon Treatment Plant.
- (c) Subject to option terms 1(e), 6, 7 and 8, each option entitles the registered option holder to subscribe for and be allotted one ordinary share in the capital of A1 Consolidated Gold Limited (**Company**), credited as fully paid, at the Exercise Price.
- (d) The exercise price of each option is the greater of \$0.045 and 147% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to and including the date of the Company's 2015 annual general meeting (**Exercise Price**).
- (e) Options vest on satisfaction of performance conditions, the satisfaction of which shall be determined by the Board at its sole discretion, as follows:
- (i) Tranche 1 upon achievement of the First Performance Goal;
 - (ii) Tranche 2 after 12 months continuous service as a director of the Company from the date of issue and upon achievement of the Second Performance Goal; and
 - (iii) Tranche 3 after 24 months continuous service as a director of the Company from the date of issue and upon achievement of the Third Performance Goal.
- (f) The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the option in accordance with the listing rules of ASX (**Listing Rules**) (if the Company is listed at the time of exercise of the Option) and register the option holder or its nominee as a shareholder in the register of members in respect of the shares so allotted. No option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
- (g) Shares issued on the exercise of options will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue.

2. Exercise of Options

- (a) Subject to option term 1(e), an option is exercisable by the registered option holder lodging the notice of exercise of option together with, subject to option terms 6, 7 and 8, the Exercise Price for each share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The options may be exercised in whole or in part and, if exercised in part, multiples of 50,000 must be exercised on each occasion. The exercise of some options only does not affect the registered option holder's right to exercise other options at a later time.
- (b) Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
- (c) Each option will lapse on the earliest to occur of 5.00pm WST on 30 November 2019 (**Expiry Date**) and 5.00pm WST on the date the Eligible Person ceases to be a director of the Company.

3. Transfer

The options are not transferable.

4. Quotation

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

5. Dividends

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

6. Bonus issue

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

- (a) an option has not been exercised in full; or

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

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

7. Rights issue

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

8. Reconstruction

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

9. Advice

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

10. Right to participate in future issues

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

11. Income Tax Assessment Act

The options are granted under an arrangement to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies.

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