

# Notice of Annual General Meeting and Explanatory Memorandum

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Aeris Resources Limited ABN 30 147 131 977

**Date of Meeting:** Friday, 16 November 2018

**Time of Meeting:** 11:30am (Brisbane time)

**Place of Meeting:** HopgoodGanim Lawyers  
Level 7, Waterfront Place  
1 Eagle Street  
Brisbane Qld 4000

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Shareholders of **Aeris Resources Limited ABN 30 147 131 977 (Company)** will be held at HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld 4000, on Friday 16 November 2018 at 11.30am (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 6 of the accompanying Explanatory Memorandum.

## Agenda

### ORDINARY BUSINESS

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#### Financial Report

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Balance Sheet, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2018.

#### 1. Resolution 1 - Remuneration Report

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To consider and, if thought fit, pass the following Resolution as an advisory Resolution:

*"That, the Remuneration Report for the year ended 30 June 2018 (as set out in the Directors Report) is adopted."*

#### Voting

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

#### Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 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;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) the voter is the chair of the meeting and the appointment of the chair as proxy:
    - (A) does not specify the way the proxy is to vote on the resolution; and
    - (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

#### Voting Intentions of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolution 1 the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying Explanatory Memorandum.

# Notice of Annual General Meeting

## **2. Resolution 2 - Re-election of Mr Marcus Derwin as a Director**

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Mr Marcus Derwin, who retires by rotation in accordance with Rule 28.6(a) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”*

## **3. Resolution 3 - Approval of the previous issue of 15% of the Company’s issued capital under Listing Rule 7.4**

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To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendments:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the previous issue of 42,034,892 Shares (**September Placement**) announced to the ASX on 1 October 2018, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

### **Voting exclusion statement**

The Company will disregard any votes cast in favour of the Resolution 3 by or on behalf of a person who participated in the September Placement or an associate of that person.

However, the Company need not disregard a vote if:

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

## **SPECIAL BUSINESS**

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## **4. Resolution 4 - Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A**

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To consider and, if thought fit, pass the following as a Special Resolution of the Company, with or without amendment:

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (**Placement Securities**).”*

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## **Voting exclusion statement**

The Company will disregard any votes cast in favour of the Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in the issue of the Placement Securities or an associate of that person; and
- (b) a person who will obtain a material benefit as a result of the issue of the Placement Securities (except a benefit solely by reason of being a holder of Shares) or an associate of that person.

However, the Company need not disregard a vote if:

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

## **GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

## **BY ORDER OF THE BOARD**



Mr Robert Brainsbury  
Company Secretary  
15 October 2018

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to Shareholders of Aeris Resources Limited ABN 30 147 131 977 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld 4000, on Friday 16 November 2018, commencing at 11:30am (Brisbane time).

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

Terms used in this Explanatory Memorandum are defined in Section 6.

## 2. Consider the Company's Annual Financial Report

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The Company's Annual Financial Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Balance Sheet, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2018 were released to ASX Limited on 28 August 2018.

The Company's Annual Report is placed before the Shareholders for discussion.

No voting is required for this item.

## 3. Resolution 1 - Remuneration Report

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### 3.1 Remuneration Report

In accordance with Section 250R of the Corporations Act, the Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Report for the period ending 30 June 2018.

The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

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

### 3.2 Recommendation

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

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

# Explanatory Memorandum

## 3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

Members of the Key Management Personnel and their Closely Related Parties (**Restricted Voters**) and proxies of Restricted Voters are restricted from voting on a resolution which is connected directly or indirectly with the remuneration of a member of the Key Management Personnel (**Voting Restriction**).

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company will disregard any votes cast in favour of the Resolution by any restricted voters.

The Voting Restriction applies to Resolution 1. However, it does not apply where:

- (a) the member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment specifies the way the proxy is to vote on the resolution; or
- (b) the Chairperson is appointed in writing (by a Shareholder who is not a Restricted Voter) as a proxy where the appointment does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Shareholders should be aware that any undirected proxies given to the Chairperson will be cast by the Chairperson and counted in favour of the resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

The Proxy Form attached to this Notice has been prepared on this basis.

## 4. Resolution 2 – Re-election of Mr Marcus Derwin as a Director

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Mr Derwin retires by rotation in accordance with Rule 28.6(a) of the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Under Rule 28.6 of the Company's Constitution, one-third of Directors are required to retire at each general meeting (excluding Directors seeking election at the meeting for the first time, or the Managing Director).

Mr Derwin was appointed as a director of the Company on 18 April 2016. Mr Derwin was appointed as a Director as the nominee of Standard Chartered Bank, following the completion of the Company's debt restructure with Standard Chartered Bank and PAG, which was announced in August 2015. Mr Derwin retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Mr Derwin is a highly experienced corporate executive and Board director, with an extensive background in corporate transformations. He brings international experience, across a diverse range of industry sectors. His professional career has encompassed a combination of advisory and principal executive capacities, including managing a \$A2Bn global Alternative Assets portfolio over 5 years and also the formation and management of a \$A550m LIC. Additionally, he has advised boards – both public and private and worked within and alongside executive teams on implementation, stakeholder management and recapitalisation strategies. Mr Derwin's professional background includes senior roles at AMP, National Australia Bank, Allico Equity Partners, PwC and KPMG.

# Explanatory Memorandum

The Directors (with Mr Derwin abstaining) recommend that you vote in favour of this Ordinary Resolution.

Shareholders should be aware that any undirected proxies given to the Chairperson will be cast by the Chairperson and counted in favour of the resolutions the subject of this Meeting, including this Resolution 2, subject to compliance with the Corporations Act.

## **5. Resolution 3 - Approval of the issue of 15% of the Company's issued capital under Listing Rule 7.4**

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The Company is seeking Shareholder approval and ratification pursuant to Listing Rule 7.4 for the September Placement of 42,034,892 New Shares that were issued on 1 October 2018 to sophisticated and professional investors in conjunction with the Company's 2018 Entitlement Offer.

Subject to certain exceptions, under Listing Rule 7.1, the Company must not issue equity securities, or agree to issue equity securities (which includes shares and options), without the approval of Shareholders if the number of issued securities to be issued in any 12 month period exceeds 15% of the issued capital of the Company preceding the issue (15% Limit).

Listing Rule 7.4 allows shareholders to approve the previous issue of securities under Listing Rule 7.1. This effectively allows a company to refresh its 15% Limit.

Shareholder approval was not required at the time of the September Placement however the Company is now seeking shareholder approval to enable it to issue further capital, if required, during the 12 month period after the September Placement. If the Company's shareholders ratify the issue of the September Placement securities at the Meeting, those securities will be treated as having been made with approval for the purposes of Listing rule 7.1.

### **5.1 Listing Rule 7.5**

Pursuant to Listing Rule 7.5, the following information is provided in respect of Listing Rule 7.4 approval under Resolution 3:

(a) **The number of securities issued**

The Company issued 42,034,892 Shares.

(b) **The price at which the securities were issued**

The Shares were issued at \$0.20 each.

(c) **The terms of the securities**

The shares rank equally with all existing Shares then on issue.

(d) **The names of the persons to whom the entity issued the securities or the basis on which those persons were determined**

The September Placement securities were issued to new sophisticated and professional investors (including some existing institutional shareholders) introduced to the Company by the joint lead managers of the 2018 Entitlement Offer.

# Explanatory Memorandum

(e) **The use (or intended use) of the funds raised**

Together with the Company's existing cash reserves and the proceeds raised under the 2018 Entitlement Offer, the Company intends to use the funds raised from the September Placement for the purposes of repayment of debt, acceleration of exploration activities and the costs of the September Placement and the 2018 Entitlement Offer (as more particularly described in the Prospectus for the 2018 Entitlement Offer).

(f) **A voting exclusion statement**

A voting exclusion statement is set out under Resolution 3 of the Notice of Meeting.

## 6. Resolution 4 – Approval for Additional 10% Placement Capacity

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### 6.1 Introduction

Pursuant to Resolution 4, the Company is seeking Shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. This Listing Rule enables small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the AGM, to obtain approval to issue an additional 10% of issued capital over a 12-month period from the date of the AGM (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards debt reduction, towards acquisitions of new assets or investments (including expense associated with such acquisition), funding capital expenditure associated with the development of existing assets and operations, funding performance guarantees required for existing operations, expenses associated with the issue of Placement Securities and for general working capital.

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

### 6.2 Listing Rule 7.1A

(a) **Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its AGM it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 3 October 2018, the Company's market capitalisation was \$82,320,598 based on the closing trading price on that date. The calculation of market capitalisation will be based on the closing



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price of the Shares, on the last trading day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

As at the date of this Notice, the Company is an Eligible Entity and is able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 4, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

## (b) **Listing Rule 7.1A.1 - 10% Placement Period**

Assuming Resolution 4 is passed, shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the AGM; or
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 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.

Therefore, if approval is given for the issue of the Placement Securities then the approval will expire, on 16 November 2019, unless shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

## (c) **Listing Rule 7.1A.2 - Calculation for Additional 10% Placement**

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

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

Where:

**A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

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**D** is 10 percent.

**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.

(d) **Listing Rule 7.1A.3 – Minimum issue price and class of securities**

(1) Equity Securities

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

As at the date of this Notice of Meeting, the only class of Equity Securities in the Company quoted on the ASX are Shares. The Company presently has 422,156,914 Shares on issue at the date of this Notice of Meeting.

(2) Minimum Issue Price

The issue price for the Placement 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 immediately before:

- (A) the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- (B) if the relevant Placement Securities are not issued within five trading days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

(e) **Listing Rules 7.1A.4- Information to be given to ASX**

If Resolution 4 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
- (2) the following information required by rule 3.10.5A, which will be released to the market on the date of issue:
  - (A) details of the dilution to the existing holders of Equity Securities caused by the issue;
  - (B) where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing shareholders would have been eligible to participate;

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- (C) details of any underwriting arrangements, including any fees payable to the underwriter; and
- (D) any other fees or costs incurred in connection with the issue.

(f) **Listing Rule 7.1 and 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 of Meeting, the Company has on issue 422,156,914 Shares. Additionally, the Company is currently undertaking the 2018 Entitlement Offer, as a result of the fully underwritten retail component of that offer, the Company will issue an additional 133,444,104 Shares on or around 16 October 2018. Therefore the Company will have 455,711,613 Shares on issue and have the capacity to issue the following Equity Securities on the date of the Meeting:

- (1) subject to shareholder approval being obtained under Resolution 3, 68,356,741 Equity Securities under Listing Rule 7.1; and
- (2) subject to shareholder approval being obtained under this Resolution 4, 45,571,161 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the 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 (as described above).

## 6.3 Specific Information required by Listing Rule 7.3A

(a) **Minimum Price**

The minimum price cannot be determined at this stage, however the Company will disclose to the ASX the issue price on the date of issue of the Placement Securities and the minimum price will be determined by reference to the Listing Rules which require that any Placement Securities issued pursuant Resolution 4 must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

(b) **Economic and voting dilution**

As provided by Listing Rule 7.3A.2, if Resolution 4 is passed and the Company issues all of the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 422,156,914 Shares and expects to have 455,711,613 Shares on issue following the completion of the 2018 Entitlement Offer. The Company could issue 45,571,161 Placement Shares on the date of the meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any

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issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and
- (2) the Placement 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,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled, and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market

Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

**Table 1**

ASX Listing Rule 7.1A.2		Dilution		
		AUD\$0.10 50% decrease in Market Price	AUD\$0.20 Market Price	AUD\$0.39 100% increase in Market Price
<b>Current Issued Capital</b> 455,711,613 Shares	10% Voting Dilution	45,571,161 Shares	45,571,161 Shares	45,571,161 Shares
	Funds raised	\$4,443,188	\$8,886,376	\$17,772,753
<b>50% increase in current Issued Capital</b> 524,068,355 Shares	10% Voting Dilution	68,356,742 Shares	68,356,742 Shares	68,356,742 Shares
	Funds raised	\$6,664,782	\$13,329,565	\$26,659,129
<b>100% increase in current Issued Capital</b> 911,423,226 Shares	10% Voting Dilution	91,142,323 Shares	91,142,323 Shares	91,142,323 Shares
	Funds raised	\$8,886,376	\$17,772,753	\$35,545,506

Assumptions and explanations for Table 1:

- the Market Price is based on the closing price of the Shares on ASX on 3 October 2018;
- The above table only shows the dilutionary effect based on the Additional 10% Issue and not the 15% under Listing Rule 7.1;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;
- The Company issues the maximum number of 10% Securities available to it under the Additional 10% Issue;
- The Issued Capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at 3 October 2018; and

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- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

(c) **Final date for issue – Listing Rule 7.3A.3**

See above at 6.2(b).

(d) **Purpose – Listing Rule 7.3A.4**

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards debt reduction, towards acquisitions of new assets or investments (including expense associated with such acquisition), funding capital expenditure associated with the development of existing assets and operations, funding performance guarantees required for existing operations, expenses associated with the issue of Placement Securities and for general working capital.

(e) **Shares Issued for Non-cash consideration – Listing Rule 7.3A.4**

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

(f) **Company's Allocation Policy – Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing Shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

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(g) **Company not previously obtained shareholder approval under Listing Rule 7.1A**

The Company has not previously obtained shareholder approval under Listing Rule 7.1A.

(h) **Voting Exclusion Statement**

A voting exclusion statement is included in the notice of meeting. At the date of the notice of meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances, there is no reason to exclude the votes, and the votes will not be excluded, of any Shareholders under the voting exclusion in the notice.

## 6. Interpretation

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The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

**2018 Entitlement Offer** has the meaning given to it in the prospectus of the Company dated 21 September 2018 and lodged with the Australian Securities and Investments Commission on that date.

**AGM** means annual general meeting of the shareholders of the Company.

**ASX** means the ASX Limited ACN 008 624 69.

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

**Chair** means the person chairing the Meeting.

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) 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 dealings with the entity; or
- (d) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

**Company** means Aeris Resources Limited ABN 30 147 131 977.

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

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

**Directors** means the directors of the Company from time to time.

**Explanatory Memorandum** means the explanatory statement accompanying this Notice.

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

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

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**Meeting** means the Annual General Meeting of the Company to be held on 16 November 2018.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of shareholders.

**Placement Securities** has the meaning given to it in Resolution 4.

**Remuneration Report** means the section of the Directors' Report in the 2018 Financial Report dealing with the remuneration of the Company's Directors, Company Secretary and senior executives described as 'Remuneration Report'.

**Resolution** means a resolution to be proposed at the Meeting.

**September Placement** has the meaning given to that term in Resolution 3.

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

**Shareholder** means a shareholder of the Company.

# Explanatory Memorandum

## **Proxy, representative and voting entitlement instructions**

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### **Proxies and representatives**

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **deposited at, posted to, or sent by facsimile transmission to the address listed below**, not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

#### **By Delivery:**

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW, 2138

#### **By Mail:**

Aeris Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

#### **By Fax:**

+61 2 9287 0309

#### **Online:**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this Notice.

### **Voting entitlement**

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7.00pm (Sydney time) on Wednesday, 14 November 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.



# Explanatory Memorandum

## Signing instructions

You must sign the proxy form as follows in the spaces provided:


- Individual: Where the holding is in one name, the holder must sign.
- Joint Holding: Where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.


## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Aeris Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## PROXY FORM

I/We being a member(s) of Aeris Resources Limited (Company) and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:30am (Brisbane time) on Friday, 16 November 2018 at HoggoodGanim Lawyers – Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel or Key Management Personnel of the consolidated entity (KMP).


**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Marcus Derwin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of the previous issue of 15% of the Company's issued capital under Listing Rule 7.4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

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

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am (Brisbane time) on Wednesday, 14 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Aeris Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**