

Notice of Annual General Meeting and Explanatory Memorandum

Straits Resources Limited ABN 30 147 131 977

Date of Meeting: Tuesday, 25 November 2014

Time of Meeting: 10.00am (Brisbane time)

Place of Meeting: HopgoodGanim
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 **Straits Resources Limited ABN 30 147 131 977 (Company)** will be held at HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld 4000, on Tuesday 25 November 2014 at 10.00am (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 5 of the accompanying Explanatory Memorandum.

Agenda

ORDINARY BUSINESS

Financial Reports

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 2014.

1. Resolution 1 - Remuneration Report

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

"That, the Remuneration Report for the year ended 30 June 2014 (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

Notice of Annual General Meeting

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 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.

2. Resolution 2 - Re-election of Mr Michele Muscillo as a Director

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

“That Mr Michele Muscillo, 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.”

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 Rob Brainsbury
Company Secretary
24 October 2014

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum is provided to Shareholders of Straits 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, Level 7, Waterfront Place, 1 Eagle Street Brisbane Qld 4000, on Tuesday 25 November 2014, commencing at 10.00am (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 5.

2. Consider the Company's Annual Financial Report

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 2014 were released to ASX Limited on 28 August 2014.

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

No voting is required for this item.

3. Resolution 1 - Remuneration Report

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 2014.

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.

Explanatory Memorandum

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

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 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 Michele Muscillo as a Director**

Mr Muscillo 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 Muscillo was appointed as a director of the Company on 2 May 2013 and was last re-elected as a director at the 2013 AGM. Mr Muscillo 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 Muscillo is a partner specialising in corporate law with HopgoodGanim. He is an admitted Solicitor and has a practice focusing almost exclusively on mergers and acquisitions, and capital raising. He has a Bachelor of Laws from Queensland University of Technology and was a recipient of the QUT University Medal. In his role with HopgoodGanim, Mr Muscillo has acted on a variety of corporate transactions including initial public offerings, takeovers and other acquisitions. Mr Muscillo's experience brings to the Board expertise on corporate regulation, governance and compliance matters. Mr Muscillo is a non-executive of ASX-listed Orbis Gold Limited and is also the Chairman of the Audit and Risk Management Committee for that entity.

Explanatory Memorandum

The Directors (with Mr Muscillo 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. Interpretation

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

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 Straits 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.

Meeting means the Annual General Meeting of the Company to be held on 25 November 2014.

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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.

Remuneration Report means the section of the Directors' Report in the 2014 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.

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

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
or
Level 12, 680 George Street
Sydney NSW 2000

By Mail:

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

By Fax:

+61 2 9287 0309

Online:

www.linkmarkets.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)).

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 (Brisbane time) on Sunday, 23 November 2014. 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.


By mail:
 Straits Resources Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

All enquiries to: Telephone: +61 1300 554 474

X99999999999

PROXY FORM

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

STEP 1
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 (excluding the registered shareholder) you are appointing as your proxy.

 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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Tuesday, 25 November 2014 at HopgoodGanim, Level 7, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel (which includes the Chairman).

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

 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
STEP 2
VOTING DIRECTIONS
Resolution 1

Remuneration Report

For Against Abstain*

Resolution 2

Re-election of Mr Michele Muscillo as a Director

 * 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.

STEP 3
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).

SRQ PRX401R


HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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.

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 **10:00am on Sunday, 23 November 2014**, 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

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:

Straits 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.

**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.**