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## NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at Suite 1,  
338 Hay Street, Subiaco, Western Australia on 30 June 2015  
at 10:00 AM (WST).

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*This Notice of 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.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6380 1003.*

# KIBARAN RESOURCES LIMITED

A B N 15 117 330 757

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Kibaran Resources Limited ("**Kibaran**" or "**Company**") will be held at Suite 1, 338 Hay Street, Subiaco, Western Australia on 30 June 2015 2014 at 10:00 am (WST) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 26 June 2015 at 10:00 am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Section 13 of the Explanatory Memorandum.

### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF THE ISSUE OF 26,900,000 SHARES

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 26,900,000 Shares at an issue price of \$0.17 to institutional and sophisticated investors pursuant to a placement upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice."*

#### 2. RESOLUTION 2 – RATIFICATION OF THE ISSUE OF 750,000 CONSULTANT OPTIONS

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 750,000 Options to Consultants as per the terms and conditions set out in the Explanatory Memorandum accompanying the Notice."*

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3. **RESOLUTION 3 – ELECTION OF JOHN CONIDI**

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

*“That for the purposes of Listing Rule 14.4, Section 201H(3) of the Corporations Act and for all other purposes, John Conidi, having been appointed as a Director pursuant clause 9.1 of the Company’s Constitution, and only holding that office until the following general meeting of the Company and being eligible for re-election, be re-elected as a director of the Company.”*

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4. **RESOLUTION 4 – ISSUE OF PLAN SHARES TO ANDREW SPINKS**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given to the Company to grant Plan Shares to Andrew Spinks under an Employee Share Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”*

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5. **RESOLUTION 5 – ISSUE OF PLAN SHARES TO GRANT PIERCE**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given to the Company to grant Plan Shares to Grant Pierce under an Employee Share Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”*

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6. **RESOLUTION 6 – ISSUE OF PARK SHARES TO JOHN PARK**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given to the Company to grant Park Shares to John Park under an Employee Share Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”*

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7. **RESOLUTION 7 – ISSUE OF CONIDI SHARES TO JOHN CONIDI**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given to the Company to grant Conidi Shares to John Conidi under an Employee Share Plan on the terms and conditions outlined in the Explanatory Statement which accompanies this Notice.”*

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**8. RESOLUTION 8 – APPROVAL OF ISSUE OF NEW CONSULTANT OPTIONS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 4,000,000 Options to consultants upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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**9. RESOLUTION 9 – APPROVAL OF ISSUE OF CONTRACTOR OPTIONS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,050,000 Options to contractors upon the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”*

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**Dated: 29 May 2015**  
**By order of the Board**

**ROBERT HODBY**  
**COMPANY SECRETARY**

**Voting Exclusion Statement:**

Resolution	Shareholders excluded from voting
<p><i>Resolution 1 – Ratification of prior issue of shares</i></p>	<p>The Company will disregard any votes on Resolution 1 by:</p> <ul style="list-style-type: none"> <li>• any person who participated in the placement, namely the Subscribers;</li> <li>• a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities; and</li> <li>• any associate of that person (or those persons).</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul>
<p><i>Resolution 2 – Ratification of prior issue of options</i></p>	<p>The Company will disregard any votes on Resolution 2 by:</p> <ul style="list-style-type: none"> <li>• any person who received the options;</li> <li>• a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities; and</li> <li>• any associate of that person (or those persons).</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul>
<p><i>Resolution 4 – Issue of Plan Shares To Andrew Spinks</i></p>	<p><b>Voting Exclusion Statement</b></p> <p>The Company will disregard any votes on Resolution 4 by:</p> <ul style="list-style-type: none"> <li>• Andrew Spinks or his nominee, the person who is to receive securities in relation to the Company under this Resolution; and</li> <li>• any associate of Andrew Spinks.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul>

	<p><b>Voting Prohibition Statement</b></p> <p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>• the proxy is either: <ul style="list-style-type: none"> <li>◦ a member of the Key Management Personnel; or</li> <li>◦ a Closely Related Party of such a member; and</li> </ul> </li> <li>• the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>• the proxy is the Chair; and</li> <li>• the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><i>Resolution 5 – Issue of Plan Shares To Grant Pierce</i></p>	<p><b>Voting Exclusion Statement</b></p> <p>The Company will disregard any votes on Resolution 5 by:</p> <ul style="list-style-type: none"> <li>• Grant Pierce or his nominee, the person who is to receive securities in relation to the Company under this Resolution; and</li> <li>• any associate of Grant Pierce.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul> <p><b>Voting Prohibition Statement:</b></p> <p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>• the proxy is either: <ul style="list-style-type: none"> <li>◦ a member of the Key Management Personnel; or</li> <li>◦ a Closely Related Party of such a member; and</li> </ul> </li> <li>• the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>• the proxy is the Chair; and</li> <li>• the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

*Resolution 6 – Issue of Park Shares To John Park*

**Voting Exclusion Statement**

The Company will disregard any votes on Resolution 6 by:

- John Park or his nominee, the person who is to receive securities in relation to the Company under this Resolution; and
- any associate of John Park.

However, the Company need not disregard a vote if:

- 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
- it is cast 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.

**Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- the proxy is either:
  - a member of the Key Management Personnel; or
  - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

*Resolution 7 – Issue of Conidi Shares To John Conidi*

**Voting Exclusion Statement**

The Company will disregard any votes on Resolution 7 by:

- John Conidi or his nominee, the person who is to receive securities in relation to the Company under this Resolution; and
- any associate of John Conidi.

However, the Company need not disregard a vote if:

- 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
- it is cast 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.

	<p><b>Voting Prohibition Statement</b></p> <p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>• the proxy is either: <ul style="list-style-type: none"> <li>◦ a member of the Key Management Personnel; or</li> <li>◦ a Closely Related Party of such a member; and</li> </ul> </li> <li>• the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>• the proxy is the Chair; and</li> <li>• the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>
<p><i>Resolution 8 – Issue of New Consultant Options</i></p>	<p>The Company will disregard any votes on Resolution 8 by:</p> <ul style="list-style-type: none"> <li>• any Consultants, the person’s who are to receive securities in relation to the Company under this Resolution; and</li> <li>• any associate of the Consultants.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul>
<p><i>Resolution 9 – Issue of Contractor Options</i></p>	<p>The Company will disregard any votes on Resolution 9 by:</p> <ul style="list-style-type: none"> <li>• any Employees or Contractors, the person’s who are to receive securities in relation to the Company under this Resolution; and</li> <li>• any associate of the Employees or Contractors.</li> </ul> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• it is cast 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.</li> </ul>



## **EXPLANATORY MEMORANDUM**

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### **1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Suite 1, 338 Hay Street, Subiaco, Western Australia on 30 June 2015 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Voting by proxy
Section 4:	Resolution 1 – Ratification of the issue of 26,900,000
Section 5:	Resolution 2 – Ratification of the issue of 750,000
Section 6:	Resolution 3 – Election of John Conidi
Sections 7, 8, 9 & 10:	Resolution 4, 5, 6 & 7 – Approval of issue of loan shares to Andrew Spinks, Grant Pierce, John Park & John Conidi
Section 11:	Resolution 8 – Approval of Issue of Options to consultants
Section 12:	Resolution 9 – Approval of Issue of Options to contractors
Section 13:	Definitions

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### **2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

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### **3. VOTING BY PROXY**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a '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 provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

#### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- (d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

#### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting; or
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

The Company must receive your duly completed Proxy Form by no later than 10:00am (WST) on 28 June 2015.

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#### 4. RESOLUTION 1 – RATIFICATION OF THE ISSUE OF 26,900,000 SHARES

On the 17 April 2015, the Company announced that it had completed a placement of Shares to sophisticated investors and consultants (**Placement Shares**).

On the 27 April 2015, 26,900,000 Shares were issued as follows:

- (a) 18,991,104 Shares were issued without shareholder approval under Listing Rule 7.1; and
- (b) 7,908,896 Shares were issued without Shareholder approval under Listing Rule 7.1A, being the 'additional placement capacity' facility approved by Shareholders at the 2014 Annual General Meeting,

(together the **Placement Shares**).

As announced in the Appendix 3B dated 18 May 2015, the Company's remaining issue capacity is:

- (c) ASX Listing Rule 7.1 – 574,029
- (d) ASX Listing Rule 7.1A – 5,634,526

This resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the entire Placement Shares.

##### 4.1 Purpose of Resolution 1 and Listing Rule 7.1 and 7.1A

Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue equity securities equating to more than 15% of its issued capital in a 12 month period without shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to Listing Rule 7.4, an issue of securities made without shareholder approval is deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 provided that the issue did not breach the 15% Limit and the company at a general meeting subsequently approves the issue.

At the 2014 Annual General Meeting (Resolution 3), the Company obtained Shareholder approval to issue up to 10% of its issued capital in addition to the 15% Limit available under Listing Rule 7.1 (**Additional Placement Capital**). Listing Rule 7.4 allows the Company to seek subsequent approval for any shares issued under the Additional Placement Capital facility. The effect of this Resolution allows the Company to issue a further 10% of its issued capital under the Additional Placement Capital facility until the facility expires on 20 November 2015, being 12 months from the date the facility was approved by the Shareholders at the 2014 Annual General Meeting.

Shareholder ratification for the issue of the Placement Shares is now sought pursuant to Listing Rule 7.4, to reinstate the Company's capacity to issue:

- (a) up to 15% of its issued capital, if required, in the next 12 months without shareholder approval under Listing Rule 7.1; and
- (b) up to a further 10% of its issued capital, if required between now and 19 November 2015 (being the facility expiry date) without Shareholder approval under Listing Rule 7.1 A.

#### 4.2 Notice requirements under Listing Rule 7.5

It is a requirement of Listing Rule 7.5, that a listed entity seeking subsequent shareholder approval under Listing Rule 7.4 provide with the following information to Shareholders:

- (a) the total number of securities issued was 26,900,000 Shares;
- (b) the issue price per Share was \$0.17;
- (c) the terms and conditions of the Shares issued are identical to the Company's existing fully paid ordinary Shares;
- (d) the Shares were issued to sophisticated investors of the Company. None of these subscribers are related parties of the Company; and
- (e) funds raised from the Placement are being used to allow the Company to continue to develop its 100% owned Epanko Graphite Project. The funds will enable the completion of the bankable feasibility study well underway at Epanko, the ordering of long lead items and provide working capital through to a decision to mine.

#### Directors' Recommendation in relation to Resolution 1

The Directors recommend that Shareholders vote in favour of Resolution 1.

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### 5. RESOLUTION 2 – RATIFICATION OF THE ISSUE OF 750,000 CONSULTANT OPTIONS

On 15 May 2015 the Company issued 750,000 Options issued in lieu of cash to consultants (**Consultant Options**).

As announced in the Appendix 3B dated 18 May 2015, the Company's remaining issue capacity is:

- (a) ASX Listing Rule 7.1 – 574,029
- (b) ASX Listing Rule 7.1A – 5,634,526

This resolution seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the entire Consultant Options.

#### 5.1 Purpose of Resolution 2 and Listing Rule 7.1

Listing Rule 7.1 prohibits a listed entity from issuing or agreeing to issue equity securities equating to more than 15% of its issued capital in a 12 month period without shareholder approval (**15% Limit**), unless an exception applies.

Pursuant to Listing Rule 7.4, an issue of securities made without shareholder approval is deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 provided that the issue did not breach the 15% Limit and the company at a general meeting subsequently approves the issue.

Shareholder ratification for the issue of the Consultant Options is now sought pursuant to Listing Rule 7.4, to reinstate the Company's capacity to issue:

- (a) up to 15% of its issued capital, if required, in the next 12 months without shareholder approval under Listing Rule 7.1.

## **5.2 Notice requirements under Listing Rule 7.5**

It is a requirement of Listing Rule 7.5, that a listed entity seeking subsequent shareholder approval under Listing Rule 7.4 provide with the following information to Shareholders:

- (a) the total number of securities issued was 750,000 Consultant Options;
- (b) the Consultant Options were issued in lieu of cash payments to Consultants;
- (c) the terms and conditions of the Consultant Options are set out in Schedule 1;
- (d) the Consultant Options were issued to Consultants of the Company. None of these subscribers are related parties of the Company; and
- (e) No funds were raised through the issue of the Consultant Options.

### **Directors' Recommendation in relation to Resolution 2**

The Directors recommend that Shareholders vote in favour of Resolution 2.

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## **6. RESOLUTION 3 – ELECTION OF JOHN CONIDI**

John Conidi was appointed as a director of the Company on 4 May 2015 pursuant to clause 9.1 of the Company's Constitution.

Clause 6.2(c) of the Company's Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number (not more than nine) determined in accordance with this Constitution. Any Director so appointed holds office only until the end of the next following general meeting and is eligible for re-election at that meeting.

The applicable provision of ASX Listing Rule 14.4 states that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Section 201H(3) of the Corporations Act also provides that if a person is appointed by the other directors as a director of a public company, the company must confirm that person's appointment at the company's next annual general meeting - otherwise that person will cease to be a director at the end of that annual general meeting.

In accordance with the terms of his appointment, ASX Listing Rule 14.4 and Section 201H(3) of the Corporations Act, Mr John Conidi only holds office until the end of the next general meeting of the Company. Mr Conidi, being eligible for re-election, now seeks election as a Director of the Company.

## **6.1 Brief Curriculum Vitae of Director John Conidi**

Mr Conidi is a Certified Practising Accountant and Managing Director of ASX-listed Capitol Health Ltd (ASX:CAJ) which he co-founded. He has over 14 years of experience developing, acquiring and managing businesses in the technology and healthcare sectors. Mr Conidi's role in strategy, management and business development has driven the sustained expansion of Capitol Health, increasing its market capitalisation from \$20m to over \$500m in the past 8 years.

Mr Conidi has extensive interests in the graphite space. He is an experienced investor specialising in technology and resources and his appointment supports the Company's value-add growth strategy. Mr Conidi will play a vital role in downstream negotiations with off-take providers and commercial partners as well as bringing a wealth of public company expertise to Kibaran.

## **6.2 Directors Recommendation in relation to Resolution 3**

The Directors strongly recommend that shareholders vote in favour of Resolution 3.

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## **7. RESOLUTION 4 – ISSUE OF PLAN SHARES TO ANDREW SPINKS**

### **7.1 Background**

Andrew Spinks is the Company's Executive Director. The Board has decided to seek shareholder approval for the issue of Plan Shares (as defined in Section 7.2 below) to Mr Spinks in recognition for his performance with the Company and as Director incentive remuneration under an employee share plan (**Employee Plan**) that was approved by Shareholder's at general meeting on 9 September 2014.

A summary of the terms and conditions of the Employee Plan is provided in Schedule 2.

Previously only 2,000,000 Plan Shares have been issued to Andrew Spinks under the Employee Plan.

### **7.2 Application of ASX Listing Rules**

ASX Listing Rule 10.14 effectively provides that an entity must not permit a Director of the Company (or their associate) to acquire securities under an employee incentive scheme without approval of the holders of ordinary securities.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Plan Shares pursuant to Resolution 4, as approval is being obtained under Listing Rule 10.14.

### **7.3 ASX Listing Rule 10.15 Requirements**

In accordance with the disclosure requirements of ASX Listing Rule 10.15:

- (a) the Company proposes to issue Plan Shares to Mr Spinks or his nominee under the Employee Plan;

- (b) the maximum number of securities to be issued to Mr Spinks pursuant to Resolution 4 is 1,250,000 Plan Shares;
- (c) Mr Spinks will not be permitted to deal in the Plan Shares until the later of:
  - (i) the date that he repays the loan granted to him by the Company for his purchase of the Plan Shares; and
  - (ii) the date which is 6 months after the issue of the Plan Shares, provided that Mr Spinks remains a Director of the Company during that time,
- (d) the Company proposes to issue the Plan Shares pursuant to Resolution 4 as soon as reasonably practicable after Resolution 4 is approved by shareholders, but in any case by no later than 12 months after the date of passage of Resolution 4;
- (e) Mr Spinks is a director of the Company;
- (f) The Plan Shares will be issued at an issue price per Share equal to the VWAP of Shares over the last five (5) trading days on which sales were recorded up to and including the date of acceptance of the Plan Shares offered;
- (g) a voting exclusion statement is included in the Notice;
- (h) no funds will be received by the Company immediately upon the issue of the Plan Shares as Mr Spinks will receive a loan from the Company for the amount of the issue price of the Plan Shares. Such loan will be repayable in accordance with the Loan (as defined in Schedule 2);
- (i) the material terms of the Plan Shares are as set out in this Explanatory Statement above and in the terms of the Employee Plan; and
- (j) All Executive Directors are entitled to participate in the Employee Plan and the Employee Plan has previously been approved by Shareholders.

#### **7.4 Financial Assistance – Part 2J.3 of the Corporations Act**

The Board (excluding Andrew Spinks) has resolved to provide financial assistance to Andrew Spinks pursuant to the Employee Plan, such financial assistance to take the form of a Limited Recourse Loan to enable Mr Spinks to acquire Plan Shares under the Employee Plan. The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its shareholders, or the Company's ability to pay its creditors.

The reasons for the Directors' (excluding Andrew Spinks) conclusions concerning the giving of financial assistance in respect of the Employee Plan are that they consider:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the financial assistance, because it increases the alignment of the interests of Mr Spinks and shareholders and rewards Mr Spinks for the creation of shareholder wealth, and, therefore creates incentives for Mr Spinks to strive to ensure that the Company performs for the benefit of all its shareholders;

- (b) the terms and conditions do not materially prejudice the interests of the Company and its shareholders because the costs of providing the financial assistance are relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Employee Plan;
- (c) the Restriction Conditions of the Plan Shares are intended to encourage Mr Spinks to remain a Director of the Company to achieve beneficial outcomes for Shareholders; and
- (d) in the opinion of the directors, the provision of financial assistance under schemes of this kind is consistent with market practice in the area of executive incentive schemes currently operated in Australia.

## **7.5 Chapter 2E Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Plan Shares constitutes giving a financial benefit and Andrew Spinks is a related party of the Company by virtue of being a Director. Shareholder approval is not required under Chapter 2E of the Corporations Act for the financial benefit covered by this Resolution 4 as the Board (other than Andrew Spinks who has a material personal interest in the Resolution) resolved that the financial benefit to be provided to Andrew Spinks (or his nominee) under the Employee Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

## **7.6 Directors Recommendation in relation to Resolution 4**

The Directors, other than Andrew Spinks, strongly recommend that shareholders vote in favour of Resolution 4.

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## **8. RESOLUTION 5 – ISSUE OF PLAN SHARES TO GRANT PIERCE**

### **8.1 Background**

Grant Pierce is an Executive Director of the Company. The Board has decided to seek shareholder approval for the issue of Plan Shares to Mr Pierce in recognition for his performance with the Company and as Director incentive remuneration under the Employee Plan.

A summary of the terms and conditions of the Employee Plan is provided in Schedule 2.

Previously only 2,000,000 Plan Shares have been issued to Andrew Spinks under the Employee Plan. No shares have been issued to Grant Pierce under the Employee Plan.



## 8.2 Application of ASX Listing Rules

ASX Listing Rule 10.14 effectively provides that an entity must not permit a Director of the Company (or their associate) to acquire securities under an employee incentive scheme without approval of the holders of ordinary securities.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Plan Shares pursuant to Resolution 5, as approval is being obtained under Listing Rule 10.14.

## 8.3 ASX Listing Rule 10.15 Requirements

In accordance with the disclosure requirements of ASX Listing Rule 10.15:

- (a) the Company proposes to issue Plan Shares to Mr Pierce or his nominee under the Employee Plan;
- (b) the maximum number of securities to be issued to Mr Park pursuant to Resolution 5 is 1,250,000 Plan Shares;
- (c) Mr Peirce will not be permitted to deal in the Plan Shares until the later of:
  - (i) the date that he repays the loan granted to him by the Company for his purchase of the Plan Shares; and
  - (ii) the date which is 6 months after the issue of the Plan Shares, provided that Mr Pierce remains a Director of the Company during that time,
- (d) the Company proposes to issue the Plan Shares pursuant to Resolution 5 as soon as reasonably practicable after Resolution 5 is approved by shareholders, but in any case by no later than 12 months after the date of passage of Resolution 5;
- (e) Mr Pierce is a director of the Company;
- (f) The Plan Shares will be issued at an issue price per Share equal to the VWAP of Shares over the last five (5) trading days on which sales were recorded up to and including the date of acceptance of the Plan Shares offered;
- (g) a voting exclusion statement is included in the Notice;
- (h) no funds will be received by the Company immediately upon the issue of the Plan Shares as Mr Pierce will receive a loan from the Company for the amount of the issue price of the Plan Shares. Such loan will be repayable in accordance with the Loan (as defined in Schedule 2);
- (i) the material terms of the Plan Shares are as set out in this Explanatory Statement above and in the terms of the Employee Plan; and
- (j) All Executive Directors are entitled to participate in the Employee Plan and the Employee Plan has previously been approved by Shareholders.

#### **8.4 Financial Assistance – Part 2J.3 of the Corporations Act**

The Board resolved to provide financial assistance to Grant Pierce pursuant to the Employee Plan, such financial assistance to take the form of a Limited Recourse Loan to enable Mr Pierce to acquire Plan Shares under the Employee Plan. The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its shareholders, or the Company's ability to pay its creditors.

The reasons for the Directors' (excluding Mr Pierce) conclusions concerning the giving of financial assistance in respect of the Employee Plan are that they consider:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the financial assistance, because it increases the alignment of the interests of Mr Spinks and shareholders and rewards Mr Pierce for the creation of shareholder wealth, and, therefore creates incentives for Mr Pierce to strive to ensure that the Company performs for the benefit of all its shareholders;
- (b) the terms and conditions do not materially prejudice the interests of the Company and its shareholders because the costs of providing the financial assistance are relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Employee Plan;
- (c) the Restriction Conditions of the Plan Shares are intended to encourage Mr Pierce to remain a Director of the Company to achieve beneficial outcomes for Shareholders; and
- (d) in the opinion of the directors, the provision of financial assistance under schemes of this kind is consistent with market practice in the area of executive incentive schemes currently operated in Australia.

#### **8.5 Chapter 2E Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Plan Shares constitutes giving a financial benefit and Grant Pierce is a related party of the Company by virtue of being a Director. Shareholder approval is not required under Chapter 2E of the Corporations Act for the financial benefit covered by this Resolution 5 as the Board (other than Grant Pierce who has a material personal interest in the Resolution) resolved that the financial benefit to be provided to Grant Pierce (or his nominee) under the Employee Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

## **8.6 Directors Recommendation in relation to Resolution 5**

The Directors, other than Grant Pierce, strongly recommend that shareholders vote in favour of Resolution 5.

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## **9. RESOLUTION 6 – ISSUE OF PARK SHARES TO JOHN PARK**

### **9.1 Background**

John Park is a Non-Executive Director of the Company. The Board has decided to seek shareholder approval for the issue of Park Shares (as defined in Schedule 3) under the Park Plan (a summary of the terms and conditions of the Park Plan is provided in Schedule 3) to Mr Park in recognition for his performance with the Company and as Director incentive remuneration.

Previously 300,000 Park Shares have been issued to John Park under the Park Plan.

### **9.2 Application of ASX Listing Rules**

ASX Listing Rule 10.14 effectively provides that an entity must not permit a Director of the Company (or their associate) to acquire securities under an employee incentive scheme without approval of the holders of ordinary securities.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Park Shares pursuant to Resolution 6, as approval is being obtained under Listing Rule 10.14.

### **9.3 ASX Listing Rule 10.15 Requirements**

In accordance with the disclosure requirements of ASX Listing Rule 10.15:

- (a) the Company proposes to issue Park Shares to Mr Park or his nominee under the Park Plan;
- (b) the maximum number of securities to be issued to Mr Park pursuant to Resolution 6 is 1,250,000 Park Shares;
- (c) Mr Park will not be permitted to deal in the Park Shares until the later of:
  - (i) the date that he repays the loan granted to him by the Company for his purchase of the Park Shares; and
  - (ii) the date which is 6 months after the issue of the Park Shares, provided that Mr Park remains a Director of the Company during that time,
- (d) the Company proposes to issue the Park Shares pursuant to Resolution 6 as soon as reasonably practicable but in any case by no later than 12 months after the date of passage of Resolution 6;
- (e) Mr Park is a non-executive director of the Company;
- (f) The Park Shares will be issued at an issue price per Park Share equal to the VWAP of the Shares over the last five (5) trading days on which sales were recorded up to and including the date of acceptance of the Park Shares offered;

- (g) a voting exclusion statement is included in the Notice;
- (h) no funds will be received by the Company immediately upon the issue of the Park Shares as Mr Park will receive a loan from the Company for the amount of the issue price of the Park Shares. Such loan will be repayable in accordance with the terms of the Park Plan (and the loan repayment date for that purpose is 5 years after the date of issue of the Park Shares pursuant to Resolution 6);
- (i) the material terms of the Park Shares are as set out in this Explanatory Statement above and in the terms of the Park Plan; and
- (j) Mr John Park and his nominee are the only persons entitled to participate in the Park Plan.

#### **9.4 Financial Assistance - Part 2J.3 of the Corporations Act**

The Board resolved to provide financial assistance to John Park pursuant to the Park Plan, such financial assistance is to take the form of a Limited Recourse Loan to enable Mr Park to acquire Park Shares under the Park Plan (subject to Shareholders' approval). The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its shareholders, or the Company's ability to pay its creditors.

The reasons for the directors' conclusions concerning the giving of financial assistance in respect of the Park Plan are that they consider:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the financial assistance, because it increases the alignment of the interests of Mr Park and shareholders and rewards Mr Park for the creation of shareholder wealth, and, therefore creates incentives for Mr Park to strive to ensure that the Company performs for the benefit of all its shareholders;
- (b) the terms and conditions do not materially prejudice the interests of the Company and its shareholders because the costs of providing the financial assistance are relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Park Plan;
- (c) the Restriction Conditions of the Park Shares are intended to encourage Mr Park to remain a Director of the Company to achieve beneficial outcomes for Shareholders; and
- (d) in the opinion of the directors, the provision of financial assistance under schemes of this kind is consistent with market practice in the area of executive incentive schemes currently operated in Australia.

#### **9.5 Chapter 2E Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Park Shares constitutes giving a financial benefit and John Park is a related party of the Company by virtue of being a Director. Shareholder approval is not required under Chapter 2E of the Corporations Act 2001 (Cth) for the financial benefit covered by this Resolution 6 as the Board (other than John Park who has a material personal interest in the Resolution) has resolved that the financial benefit to be provided to John Park (or his nominee) under the Park Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

## **9.6 Directors Recommendation in relation to Resolution 6**

The Directors, other than John Park, strongly recommend that shareholders vote in favour of Resolution 6.

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## **10. RESOLUTION 7 – ISSUE OF LOAN SHARES TO JOHN CONIDI**

### **10.1 Background**

John Conidi is a Non-Executive Director of the Company. The Board has decided to seek shareholder approval for the issue of Conidi Shares (as defined in Schedule 4) under the Conidi Plan (a summary of the terms and conditions of the Conidi Plan is provided in Schedule 4) to Mr Conidi in recognition for his performance with the Company and as Director incentive remuneration.

No Conidi Shares have previously been issued under the Conidi Plan.

### **10.2 Application of ASX Listing Rules**

ASX Listing Rule 10.14 effectively provides that an entity must not permit a Director of the Company (or their associate) to acquire securities under an employee incentive scheme without approval of the holders of ordinary securities.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Conidi Shares pursuant to Resolution 7, as approval is being obtained under Listing Rule 10.14.

### **10.3 ASX Listing Rule 10.15 Requirements**

In accordance with the disclosure requirements of ASX Listing Rule 10.15:

- (a) the Company proposes to issue Conidi Shares to Mr Conidi or his nominee under the Conidi Plan;
- (b) the maximum number of securities to be issued to Mr Conidi pursuant to Resolution 7 is 1,250,000 Conidi Shares;
- (c) Mr Conidi will not be permitted to deal in the Conidi Shares until the later of:
  - (i) the date that he repays the loan granted to him by the Company for his purchase of the Conidi Shares; and

- (ii) the date which is 6 months after the issue of the Conidi Shares, provided that Mr Conidi remains a Director of the Company during that time,
- (d) the Company proposes to issue the Conidi Shares pursuant to Resolution 7 as soon as reasonably practicable but in any case by no later than 12 months after the date of passage of Resolution 7;
- (e) Mr Conidi is a non-executive director of the Company;
- (f) The Conidi Shares will be issued at an issue price per Conidi Share equal to the VWAP of the Shares over the last five (5) trading days on which sales were recorded up to and including the date of acceptance of the Conidi Shares offered;
- (g) a voting exclusion statement is included in the Notice;
- (h) no funds will be received by the Company immediately upon the issue of the Conidi Shares as Mr Conidi will receive a loan from the Company for the amount of the issue price of the Conidi Shares. Such loan will be repayable in accordance with the terms of the Conidi Plan (and the loan repayment date for that purpose is 5 years after the date of issue of the Conidi Shares pursuant to Resolution 7);
- (i) the material terms of the Conidi Shares are as set out in this Explanatory Statement above and in the terms of the Conidi Plan; and
- (j) Mr John Conidi and his nominee are the only persons entitled to participate in the Conidi Plan.

#### **10.4 Financial Assistance - Part 2J.3 of the Corporations Act**

The Board resolved to provide financial assistance to John Conidi pursuant to the Conidi Plan, such financial assistance to take the form of a Limited Recourse Loan to enable Mr Conidi to acquire Conidi Shares under the Conidi Plan (subject to Shareholders' approval). The Board resolved that the giving of this assistance does not materially prejudice the interests of the Company or its shareholders, or the Company's ability to pay its creditors.

The reasons for the directors' conclusions concerning the giving of financial assistance in respect of the Conidi Plan are that they consider:

- (a) giving the assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the financial assistance, because it increases the alignment of the interests of Mr Conidi and shareholders and rewards Mr Conidi for the creation of shareholder wealth, and, therefore creates incentives for Mr Conidi to strive to ensure that the Company performs for the benefit of all its shareholders;
- (b) the terms and conditions do not materially prejudice the interests of the Company and its shareholders because the costs of providing the financial assistance are relatively small and are outweighed by the benefit of alignment of interest that is achieved under the Conidi Plan;
- (c) the Restriction Conditions of the Conidi Shares are intended to encourage Mr Conidi to remain a Director of the Company to achieve beneficial outcomes for Shareholders; and

- (d) in the opinion of the directors, the provision of financial assistance under schemes of this kind is consistent with market practice in the area of executive incentive schemes currently operated in Australia.

## 10.5 Chapter 2E Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Conidi Shares constitutes giving a financial benefit and John Conidi is a related party of the Company by virtue of being a Director. Shareholder approval is not required under Chapter 2E of the Corporations Act 2001 (Cth) for the financial benefit covered by this Resolution 7 as the Board (other than John Conidi who has a material personal interest in the Resolution) has resolved that the financial benefit to be provided to John Conidi (or his nominee) under the Conidi Plan comes within the reasonable remuneration exemption to Chapter 2E of the Corporations Act 2001 (Cth).

## 10.6 Directors Recommendation in relation to Resolution 7

The Directors, other than John Conidi, strongly recommend that shareholders vote in favour of Resolution 7.

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## 11. RESOLUTION 8 – APPROVAL OF ISSUE OF NEW CONSULTANT OPTIONS

A number of consultants to the Company have assisted the Company with its capital raising and promotion objectives and are important in the establishment of Kibaran as a graphite development company.

Shareholder approval is now sought pursuant to ASX Listing Rule 7.1 to issue 4,000,000 options to the Consultants of the Company in consideration for their efforts to date and as an incentive to ensure the future success of Kibaran's graphite projects (**New Consultant Options**).

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, during any 12-month period issue any equity or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The proposed issue of the Consultant Options is placed before shareholders to allow this number of securities to be excluded from the calculation set out in ASX Listing Rule 7.1. The effect of Resolution 8 will therefore allow the Company to issue the Consultant Options pursuant to the Placement during the period of 3

months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

For the purpose of Listing Rule 7.3, the following information is provided:

- (a) a total of 4,000,000 New Consultant Options are to be issued;
- (b) the Company will issue the New Consultant Options within 3 months of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of those New Consultant Options will be issued on the same date;
- (c) each New Consultant Option will be granted for nil consideration in satisfaction of services provided by unrelated parties to the Company;
- (d) the options will be issued on the terms and conditions set out in Schedule 5;
- (e) no funds will be raised from the issue of the New Consultant Options, as they will be issued in consideration for assistance with the Company's Corporate initiatives, and as an incentive going forward to ensure the success of the Company's graphite projects.

#### 11.2 Directors Recommendation in relation to Resolution 8

The Directors strongly recommend that shareholders vote in favour of Resolution 8.

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#### 12. RESOLUTION 9 – APPROVAL OF ISSUE OF CONTRACTOR OPTIONS

The Company has engaged a number of Employees and Contractors to aid in the development of the Company's graphite projects.

Shareholder approval is now sought pursuant to ASX Listing Rule 7.1 to issue 1,050,000 options to the Employees and Contractors of the Company in consideration for their efforts to date and as an incentive to ensure the future success of Kibaran's graphite projects (**Contractor Options**).

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, during any 12-month period issue any equity or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The proposed issue of the Contractor Options is placed before shareholders to allow this number of securities to be excluded from the calculation set out in ASX Listing Rule 7.1. The effect of Resolution 9 will therefore allow the Company to issue the Contractor Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.



For the purpose of Listing Rule 7.3, the following information is provided:

- (a) a total of 1,050,000 Contractor Options are to be issued;
- (b) the Company will issue the Contractor Options within 3 months of the date of the Meeting (or such other date as extended by ASX) and it is anticipated that all of those Contractor Options will be issued on the same date;
- (c) each Contractor Option will be granted for nil consideration in satisfaction of services provided by unrelated parties to the Company;
- (d) the options will be issued on the terms and conditions set out in Schedule 6;
- (e) no funds will be raised from the issue of the Contractor Options, as they will be issued in consideration for assistance with the Company's Corporate initiatives, and as an incentive going forward to ensure the success of the Company's graphite projects.

## **12.2 Directors Recommendation in relation to Resolution 9**

The Directors strongly recommend that shareholders vote in favour of Resolution 9.

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## 13. DEFINITIONS

In this Explanatory Memorandum and Notice:

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 009 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Conidi Plan** has the meaning set out in Schedule 4.

**Conidi Share** has the meaning set out in Schedule 4.

**Constitution** means the Constitution of the Company.

**Consultant Options** has the meaning set out in section 7.

**Consultants** means those consultants that have assisted the Company in relation to its capital raising and promotional objectives.

**Contractors** means those contractors that have assisted the Company in the development of the Company's graphite projects.

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

**Director** means a director of the Company.

**Employee Plan** has the meaning contained in schedule 2.

**Employees** means those employees that have assisted the Company in the development of the Company's graphite projects.

**Executive Director** means a director holding salaried employment or office.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**Equity Securities** has the meaning given to that term in Listing Rule 19.

**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, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Kibaran and Company** means Kibaran Resources Limited ACN 117 330 757.

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Park Plan** has the meaning set out in Schedule 3.

**Park Share** has the meaning set out in Schedule 3.

**Placement** has the meaning set out in section 4.

**Plan Shares** has the meaning set out in schedule 2.

**Proxy Form** means the proxy form attached to the Notice.

**Related Parties** has the meaning set out in section 5.

**Related Party Options** has the meaning set out in section 5.

**Remuneration Report** means the remuneration report of the Company contained in the directors' report.

**Resolution** means a resolution contained in this Notice.

**Schedule** means a schedule to this Notice.

**Share** or **Shares** means a fully paid ordinary share in the capital of the Company.

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

**Trading Day** has the meaning given to that term in Listing Rule 19.

**VWAP** means the volume weighted average price.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

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## SCHEDULE 1 – TERMS AND CONDITION OF THE CONSULTANT OPTIONS

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The terms and conditions of the Consultant Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph Schedule 1(j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 14 November 2016 (**Expiry Date**). An Option not exercised before 5.00pm (WST) on the Expiry Date will automatically lapse at that time.

(d) **Exercise Period**

The Options are exercisable at any time prior to 5.00pm (WST) on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

Subject to paragraph Schedule 1(f), the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Restrictions on Exercise**

The holder of an Option may not exercise less than 5,000 Options at any one time unless the holder has less than 5,000 Options in which event the holder must exercise all of its Options together.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of:

- (i) the date of receipt by the Company of the Notice of Exercise; and
- (ii) the date of receipt by the Company of payment of the Exercise Price for each Option the subject of the Notice of Exercise, in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

No later than 15 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options will, upon issue, be fully paid, will rank equally with all other then issued Shares and will otherwise be subject to the provisions of the Constitution and any restriction or escrow arrangements imposed on them by ASX or under applicable Australian securities laws.

(j) **Reorganisation of Capital**

If at any time the issued capital of the Company is reorganised, the number and/or the exercise price of each Option are to be changed in accordance with the Corporations Act and the ASX Listing Rules at the time of the reorganisation, with the intention that such reorganisation will not result in benefits being conferred on the holder of the Option which are not conferred on Shareholders. In all other respects, the terms of exercise of the Options will remain unchanged.

(k) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options.

(l) **Change in Exercise Price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised, except to the extent required under the ASX Listing Rules in connection with the reorganisation of the capital of the Company (as set out in paragraph (j)).

(m) **Application for Quotation of Shares issued on exercise**

If the Company is admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of any Shares issued upon the exercise of the Options.

(n) **Application for Quotation of Options**

The Company will apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – SUMMARY OF THE EMPLOYEE PLAN

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The key terms of the Employee Plan are as follows:

- (a) **Eligibility:** Participants in the Employee Plan may be Executive Directors, full-time and part-time employees of the Company or any Associated Body Corporate (**Participants** or **Eligible Employees**).
- (b) **Administration of Employee Plan:** The Board is responsible for the operation of the Employee Plan and has a broad discretion to determine which Participants will be offered Plan Shares under the Employee Plan.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Employee Plan (**Offer**). The Offer:
  - (i) will invite application for the number of Plan Shares specified in the Offer;
  - (ii) will specify the issue price for the Plan Shares or the manner in which the issue price is to be calculated;
  - (iii) may invite applications for a loan up to the amount payable in respect of the Plan Shares accepted by the Participant in accordance with the Offer;
  - (iv) will specify any restriction conditions applying to the Plan Shares;
  - (v) will specify an acceptance period; and
  - (vi) specify any other terms and conditions attaching to the Plan Shares.
- (d) **Issue price:** The issue price of each Plan Share will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a loan is offered in relation to Plan Shares, the issue price must be not less than the VWAP at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the Plan Shares offered under the Offer.
- (e) **Restriction Conditions:** Plan Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Plan Shares can be sold, transferred, or encumbered at the discretion of the Participant. Plan Shares cannot be sold, transferred or encumbered at the discretion of the Participant until any loan in relation to the Plan Shares has been repaid or otherwise discharged under the Employee Plan.
- (f) **Loan:** A Participant who is invited to subscribe for Plan Shares may also be invited to apply for a loan up to the amount payable in respect of the Plan Shares accepted by the Participant (Loan), on the following terms:
  - (i) the Loan will be interest free, provided that interest at the rate equal to the benchmark interest rate for the relevant Fringe Benefits Tax year per annum will be payable in the event that a Participant is in default under the terms of the Employee Plan (**Default Interest**);
  - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Plan Shares;

- (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the Offer;
  - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Plan Shares at any time prior to the loan repayment date;
  - (v) the Company shall have a lien over the Plan Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Plan Shares in accordance with the terms of the Employee Plan;
  - (vi) a Loan will be non-recourse except against the Plan Shares held by the Participant to which the Loan relates; and
  - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board and subject to the Corporations Act and the Listing Rules, either:
- (i) buy back and cancel the relevant Plan Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan amount repayments by the Participant being treated as cash consideration); or
  - (ii) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the VWAP at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (Sale Proceeds) in the following priority:
    - (A) first, to pay the Company any outstanding Loan amount (including accrued Default Interest), if any, in relation to the Plan Shares and the Company's reasonable costs in selling the Plan Shares;
    - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan amount repayments (including any cash dividends applied to the Loan amount) made by or on behalf of the Participant; and
    - (C) lastly, any remainder to the Company to cover its costs of managing the Employee Plan.

(h) **Sale of Plan Shares to repay Loan:**

- (i) A Loan (plus any accrued Default Interest) shall become repayable in full where:
  - (A) the Participant (or, where the Participant is an associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
  - (B) the Participant suffers an event of insolvency;
  - (C) the Participant breaches any condition of the Loan or the Employee Plan; or
  - (D) a Restriction Condition in relation to Plan Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold and the Sale Proceeds applied to repay the Loan and any accrued Default Interest in accordance with the Employee Plan.
- (iii) Where a Loan and any accrued Default Interest in relation to Plan Shares becomes repayable and at that time Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must give the Participant a 21 day period to repay the Loan and any accrued Default Interest, failing which the Company must sell the Plan Shares and apply the Sale Proceeds in accordance with the Employee Plan.
- (i) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Plan Shares in accordance with the Employee Plan.
- (j) **Employee Plan limit:** The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under the Employee Plan when aggregated with:
  - (i) the number of Shares issued during the previous 5 years under the Employee Plan (or any other employee share plan extended only to Eligible Employees); and
  - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the relevant ASIC Class Order).



- (k) **Restriction on transfer:** Except as otherwise provided in the Employee Plan, Participants may not sell or otherwise deal with an Plan Share until the Loan amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Plan Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Plan Shares to implement this restriction.
- (l) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules.
- (m) **Rights attaching to Employee Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Employee Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

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## SCHEDULE 3 – SUMMARY OF THE PARK PLAN

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The key terms of the Park Plan are as follows:

(a) **Eligibility**

The only eligible participant is Mr John Park, for so long as he remains a non-executive Director of the Company (**Participant** or **Eligible Participant**).

(b) **Administration of Park Plan**

The Board is responsible for the operation of the Park Plan.

(c) **Offer**

The Board may issue an offer to the Participant to participate in the Park Plan (**Offer**). The Offer:

- (i) will invite application for the number of Park Shares specified in the Offer;
- (ii) will specify the issue price for the Park Shares or the manner in which the issue price is to be calculated;
- (iii) may invite applications for a loan up to the amount payable in respect of the Park Shares accepted by the Participant in accordance with the Offer;
- (iv) will specify any restriction conditions applying to the Park Shares;
- (v) will specify an acceptance period; and
- (vi) specify any other terms and conditions attaching to the Park Shares.

(d) **Issue price**

The issue price of each Park Share will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a loan is offered in relation to Park Shares, the issue price must be not less than the VWAP at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the Park Shares offered under the Offer.

(e) **Restriction Conditions**

Park Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Park Shares can be sold, transferred, or encumbered at the discretion of the Participant. Park Shares cannot be sold, transferred or encumbered at the discretion of the Participant until any loan in relation to the Park Shares has been repaid or otherwise discharged under the Park Plan.

(f) **Loan**

A Participant who is invited to subscribe for Park Shares may also be invited to apply for a loan up to the amount payable in respect of the Park Shares accepted by the Participant (**Loan**), on the following terms:

- (i) the Loan will be interest free, provided that interest at the rate equal to the benchmark interest rate for the relevant Fringe Benefits Tax year per annum will be payable in the event that a Participant is in default under the terms of the Park Plan (**Default Interest**);
- (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Park Shares;
- (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the Offer;
- (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Park Shares at any time prior to the loan repayment date;
- (v) a Loan will be non-recourse except against the Park Shares held by the Participant to which the Loan relates; and
- (vi) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.

(g) **Unfulfilled Restriction Condition**

Where a restriction condition in relation to Park Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Participant must, unless the restriction condition is waived by the Board and subject to the Corporations Act and the Listing Rules, arrange to sell the Park Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the VWAP at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:

- (i) first, to pay the Company any outstanding Loan amount and accrued Default Interest (if any) in relation to the Park Shares;
- (ii) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan amount repayments (including any cash dividends applied to the Loan amount) made by or on behalf of the Participant; and
- (iii) lastly, any remainder to the Company to cover its costs of managing the Park Plan.

(h) **Sale of Park Shares to repay Loan**

- (i) A Loan (plus any accrued Default Interest) shall become repayable in full where:
  - (A) the Participant (or, where the Participant is an associate of an Eligible Participant, the Eligible Participant) ceases to be an Eligible Participant for any reason (including death);

- (B) the Participant suffers an event of insolvency;
    - (C) the Participant breaches any condition of the Loan or the Park Plan; or
    - (D) a Restriction Condition in relation to Park Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
  - (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Park Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Participant must sell the Park Shares and the Sale Proceeds must be applied to repay the Loan and any accrued Default Interest in accordance with the Park Plan.
  - (iii) Where a Loan and any accrued Default Interest in relation to Park Shares becomes repayable and at that time Restriction Conditions in relation to the Park Shares have either been satisfied or are waived, the Company must give the Participant a 21 day period to repay the Loan and any accrued Default Interest, failing which the Participant must sell the Park Shares and apply the Sale Proceeds in accordance with the Park Plan.
- (i) **Power of Attorney**
- To the maximum extent permitted by applicable laws, the Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Park Plan.
- (j) **Restriction on transfer**
- Except as otherwise provided in the Park Plan, Participants may not sell or otherwise deal with a Park Share until the Loan amount in respect of that Park Share has been repaid and any restriction conditions in relation to the Park Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Park Shares to implement this restriction.
- (k) **Quotation on ASX**
- The Company will apply for each Park Share to be admitted to trading on ASX upon issue of the Park Share. Quotation will be subject to the ASX Listing Rules.
- (l) **Rights attaching to Park Shares**
- Each Park Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Park Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

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## SCHEDULE 4 – SUMMARY OF THE CONIDI PLAN

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The key terms of the Park Plan are as follows:

(a) **Eligibility**

The only eligible participant is Mr John Conidi, for so long as he remains a non-executive Director of the Company (**Participant** or **Eligible Participant**).

(b) **Administration of Conidi Plan**

The Board is responsible for the operation of the Conidi Plan.

(c) **Offer**

The Board may issue an offer to the Participant to participate in the Conidi Plan (**Offer**). The Offer:

- (i) will invite application for the number of Conidi Shares specified in the Offer;
- (ii) will specify the issue price for the Conidi Shares or the manner in which the issue price is to be calculated;
- (iii) may invite applications for a loan up to the amount payable in respect of the Conidi Shares accepted by the Participant in accordance with the Offer;
- (iv) will specify any restriction conditions applying to the Conidi Shares;
- (v) will specify an acceptance period; and
- (vi) specify any other terms and conditions attaching to the Conidi Shares.

(d) **Issue price**

The issue price of each Conidi Share will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a loan is offered in relation to Conidi Shares, the issue price must be not less than the VWAP at which Shares were traded on the ASX over the 5 trading days up to and including the actual date of acceptance of the Conidi Shares offered under the Offer.

(e) **Restriction Conditions**

Conidi Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Conidi Shares can be sold, transferred, or encumbered at the discretion of the Participant. Conidi Shares cannot be sold, transferred or encumbered at the discretion of the Participant until any loan in relation to the Conidi Shares has been repaid or otherwise discharged under the Conidi Plan.

(f) **Loan**

A Participant who is invited to subscribe for Conidi Shares may also be invited to apply for a loan up to the amount payable in respect of the Conidi Shares accepted by the Participant (**Loan**), on the following terms:

- (i) the Loan will be interest free, provided that interest at the rate equal to the benchmark interest rate for the relevant Fringe Benefits Tax year per annum will be payable in the event that a Participant is in default under the terms of the Conidi Plan (**Default Interest**);
- (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Conidi Shares;
- (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the Offer;
- (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Conidi Shares at any time prior to the loan repayment date;
- (v) a Loan will be non-recourse except against the Conidi Shares held by the Participant to which the Loan relates; and
- (vi) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.

(g) **Unfulfilled Restriction Condition**

Where a restriction condition in relation to Conidi Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Participant must, unless the restriction condition is waived by the Board and subject to the Corporations Act and the Listing Rules, arrange to sell the Park Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the VWAP at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (**Sale Proceeds**) in the following priority:

- (i) first, to pay the Company any outstanding Loan amount and accrued Default Interest (if any) in relation to the Conidi Shares;
- (ii) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan amount repayments (including any cash dividends applied to the Loan amount) made by or on behalf of the Participant; and
- (iii) lastly, any remainder to the Company to cover its costs of managing the Conidi Plan.

(h) **Sale of Conidi Shares to repay Loan**

- (i) A Loan (plus any accrued Default Interest) shall become repayable in full where:
  - (A) the Participant (or, where the Participant is an associate of an Eligible Participant, the Eligible Participant) ceases to be an Eligible Participant for any reason (including death);

- (B) the Participant suffers an event of insolvency;
  - (C) the Participant breaches any condition of the Loan or the Conidi Plan; or
  - (D) a Restriction Condition in relation to Conidi Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
- (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Conidi Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Participant must sell the Conidi Shares and the Sale Proceeds must be applied to repay the Loan and any accrued Default Interest in accordance with the Conidi Plan.
  - (iii) Where a Loan and any accrued Default Interest in relation to Conidi Shares becomes repayable and at that time Restriction Conditions in relation to the Conidi Shares have either been satisfied or are waived, the Company must give the Participant a 21 day period to repay the Loan and any accrued Default Interest, failing which the Participant must sell the Conidi Shares and apply the Sale Proceeds in accordance with the Conidi Plan.

(i) **Power of Attorney**

To the maximum extent permitted by applicable laws, the Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Conidi Plan.

(j) **Restriction on transfer**

Except as otherwise provided in the Conidi Plan, Participants may not sell or otherwise deal with a Conidi Share until the Loan amount in respect of that Conidi Share has been repaid and any restriction conditions in relation to the Conidi Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Conidi Shares to implement this restriction.

(k) **Quotation on ASX**

The Company will apply for each Conidi Share to be admitted to trading on ASX upon issue of the Conidi Share. Quotation will be subject to the ASX Listing Rules.

(l) **Rights attaching to Park Shares**

Each Conidi Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Conidi Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

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## SCHEDULE 5 – TERMS AND CONDITIONS OF THE NEW CONSULTANT OPTIONS

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The terms and conditions of the Options issued pursuant to Shareholders approval on 30 June 2015 are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.40 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 29 October 2017 (**Expiry Date**). An Option not exercised before 5.00pm (WST) on the Expiry Date will automatically lapse at that time.

(d) **Exercise Period**

The Options are exercisable at any time prior to 5.00pm (WST) on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

Subject to paragraph (f), the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Restrictions on Exercise**

The holder of an Option may not exercise less than 5,000 Options at any one time unless the holder has less than 5,000 Options in which event the holder must exercise all of its Options together.

The options will vest subject to the following milestones being achieved within three years.

- (i) 1.0 million options will vest immediately;
- (ii) 1.0 million options will vest upon the consultants assisting to the Company to raise at least \$10 million or such other amount as is agreed of equity finance;
- (iii) 1.0 million options will vest upon consultants assisting to the Company to raise at least \$20 million or such other amount as is agreed of debt finance;
- (iv) 1.0 million options will vest upon Company's closing share price exceeding \$0.60 for 20 continuous days.



- (v) In the event of a change of control event, all options not already vested will immediately vest.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of:

- (i) the date of receipt by the Company of the Notice of Exercise; and
- (ii) the date of receipt by the Company of payment of the Exercise Price for each Option the subject of the Notice of Exercise, in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

No later than 15 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options will, upon issue, be fully paid, will rank equally with all other then issued Shares and will otherwise be subject to the provisions of the Constitution and any restriction or escrow arrangements imposed on them by ASX or under applicable Australian securities laws.

(j) **Reorganisation of Capital**

If at any time the issued capital of the Company is reorganised, the number and/or the exercise price of each Option are to be changed in accordance with the Corporations Act and the ASX Listing Rules at the time of the reorganisation, with the intention that such reorganisation will not result in benefits being conferred on the holder of the Option which are not conferred on Shareholders. In all other respects, the terms of exercise of the Options will remain unchanged.

(k) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options.

(l) **Change in Exercise Price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised, except to the extent required under the ASX Listing Rules in connection with the reorganisation of the capital of the Company (as set out in paragraph (j)).

(m) **Application for Quotation of Shares issued on exercise**

If the Company is admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of any Shares issued upon the exercise of the Options.

(n) **Application for Quotation of Options**

The Company will apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 6 – TERMS AND CONDITIONS OF THE CONTRACTOR OPTIONS

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The terms and conditions of the Options issued under the Placement dated 30 June 2015 are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be equal to the VWAP of the Shares over the last five (5) trading days on which sales were recorded up to the 30 June 2015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 26 October 2017 (**Expiry Date**). An Option not exercised before 5.00pm (WST) on the Expiry Date will automatically lapse at that time.

(d) **Exercise Period**

The Options are exercisable at any time prior to 5.00pm (WST) on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

Subject to paragraph (f), the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Restrictions on Exercise**

The holder of an Option may not exercise less than 5,000 Options at any one time unless the holder has less than 5,000 Options in which event the holder must exercise all of its Options together.

The options will vest on the date which is 18 months after the issue of the Options, provided that the Contractor or Employee remains engaged by the Company during that time.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of:

- (i) the date of receipt by the Company of the Notice of Exercise; and
- (ii) the date of receipt by the Company of payment of the Exercise Price for each Option the subject of the Notice of Exercise, in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

No later than 15 Business Days after the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options will, upon issue, be fully paid, will rank equally with all other then issued Shares and will otherwise be subject to the provisions of the Constitution and any restriction or escrow arrangements imposed on them by ASX or under applicable Australian securities laws.

(j) **Reorganisation of Capital**

If at any time the issued capital of the Company is reorganised, the number and/or the exercise price of each Option are to be changed in accordance with the Corporations Act and the ASX Listing Rules at the time of the reorganisation, with the intention that such reorganisation will not result in benefits being conferred on the holder of the Option which are not conferred on Shareholders. In all other respects, the terms of exercise of the Options will remain unchanged.

(k) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options.

(l) **Change in Exercise Price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised, except to the extent required under the ASX Listing Rules in connection with the reorganisation of the capital of the Company (as set out in paragraph (j)).

(m) **Application for Quotation of Shares issued on exercise**

If the Company is admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of any Shares issued upon the exercise of the Options.

(n) **Application for Quotation of Options**

The Company will apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## LODGE YOUR VOTE

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

 **BY MAIL**  
Kibaran 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

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

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am on Sunday, 28 June 2015**, 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).

## 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.

### 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:

- 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
- 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).

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

NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X9999999999

## PROXY FORM

I/We being a member(s) of Kibaran Resources Limited 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 General Meeting of the Company to be held at **10:00am on Tuesday, 30 June 2015 at Suite 1, 338 Hay Street, Subiaco, Western Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

STEP 1

### 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*		For	Against	Abstain*
1 Ratification of the issue of 26,900,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of Issue of Contractor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of the issue of 750,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Election of John Conidi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of the issues of Plan Shares to Andrew Spinks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of the issues of Plan Shares to Grant Pierce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of the issues of Park Shares to John Park	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of the issues of Conidi Shares to John Conidi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of Issue of New Consultant Options	<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.

STEP 2

### 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).

STEP 3

KNL PRX501A

