



PENINSULA MINES LIMITED

ABN 56 123 102 974

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Peninsula Mines Limited  
ABN 56 123 102 974

## Notice of Annual General Meeting

**TIME:** 12.00 pm  
**DATE:** Monday 30 November 2015  
**PLACE:** Suite 2, Level 2, 20 Kings Park Road, West Perth, Western  
Australia

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Eric Moore, on +61 8 6143 1840*

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## Notice of Meeting to Shareholders

The Annual General Meeting of Shareholders in Peninsula Mines Limited (**Peninsula or the Company**) will be held at the Company's office at Suite 2, Level 2, 20 Kings Park Road, West Perth, Western Australia on Monday 30 November 2015 at 12.00 pm (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Please note that capitalised terms contained in this Notice of Meeting have the same meaning as set out in Schedule 1 of the Explanatory Memorandum accompanying this Notice of Meeting unless the context otherwise requires.

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### 1. Financial Report

To receive and consider the Annual Financial Report, the Directors Report and the Auditors Report of the Company and its controlled entities for the year ended 30 June 2015.

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### 2. Resolution 1 – Re-election of Mr Christopher Rashleigh as a director of the Company

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

"That Mr Christopher Rashleigh, a Director of the Company, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

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### 3. Resolution 2 – Adoption of Remuneration Report

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

"That Shareholders' adopt the Remuneration Report for the year ended 30 June 2015 as disclosed in the Company's 2015 Annual Report."

*Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.*

**Voting Prohibition Statement:** A vote must not be cast on this resolution by Key Management Personnel details of whose remuneration are included in the Remuneration Report, and their Closely Related Parties. The Key Management Personnel of the Company are set out in the Remuneration Report in the 2015 Annual Report of the Company. However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

## 4. Resolution 3 – Grant of Consultant Options to a Related Party

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

"That for the purposes of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, and subject to shareholder approval by Peninsula Mines Limited for the grant, approval is given for the grant of 4,344,000 Consultant Options – Class A to Whitby 2009 Pty Ltd (a related party being a company controlled by Director Mr Martin Pyle) or its approved nominee, on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Whitby 2009 Pty Ltd, Mr Martin Pyle and any of their associates. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy forms 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:

- (a) The proxy is either:
  - (i) A member of the Key Management Personnel for the company (or if the company is part of a consolidated entity, for the entity); or
  - (ii) A Closely Related Party of such a member; and
- (b) The appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) The proxy is the Chair; and
- (b) The appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the company or if the company is part of a consolidated entity, for the entity.

## 5. Resolution 4 – Grant of Consultant Options to a Related Party

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

"That for the purposes of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, and subject to shareholder approval by Peninsula Mines Limited for the grant, approval is given for the grant of 1,448,000 Consultant Options – Class A to Holihox Pty Ltd (a related party being a company controlled by Director Mr Phillip Jackson) or its approved nominee, on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Holihox Pty Ltd, Mr Phillip Jackson and any of their associates. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy forms 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:

- (a) The proxy is either:
  - (i) A member of the Key Management Personnel for the company (or if the company is part of a consolidated entity, for the entity); or
  - (ii) A Closely Related Party of such a member; and
- (b) The appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) The proxy is the Chair; and
- (b) The appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the company or if the company is part of a consolidated entity, for the entity.

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## 6. Resolution 5 – Grant of Consultant Options to a Related Party

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

"That for the purposes of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the grant of 724,000 Consultant Options – Class A and the grant of 1,000,000 Consultant Options – Class B to Chris Rashleigh Mining Pty Ltd (a company controlled by Director Mr Chris Rashleigh), or its approved nominee, and on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Chris Rashleigh Mining Pty Ltd, Mr Chris Rashleigh and any of their associates. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy forms 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:

- (a) The proxy is either:
  - (i) A member of the Key Management Personnel for the company (or if the company is part of a consolidated entity, for the entity); or
  - (ii) A Closely Related Party of such a member; and
- (b) The appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) The proxy is the Chair; and
- (b) The appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the company or if the company is part of a consolidated entity, for the entity.

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## 7. Resolution 6 – Grant of Options to Consultants and Employees

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

"For the purposes of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, approval is given for the grant of 8,760,000 Consultant Options to certain consultants and employees of the Company (or their approved nominees), on the terms and conditions set out in the Explanatory Memorandum."

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 8. Resolution 7 – Ratify Share and Option Placement

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

"That, pursuant to Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 21,093,291 Shares and the grant of 10,546,646 Options to unrelated investors on terms and conditions set out in the Explanatory Memorandum."

**Voting Prohibition Statement:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of such persons. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 9. Resolution 8 – Approval for Placement of Shares and Options

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

"That for the purposes of Rule 7.1 and for all other purposes, approval is given for the Company to issue of up to 40,046,709 Shares and grant up to 20,023,355 Options to unrelated investors on the terms and conditions set out in the Explanatory Memorandum."

**Voting Prohibition Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue any associates of such persons. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 10. Resolution 9 – Approval for Placement of Shares and Options to Related Party

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

"That for the purposes of Rule 10.11 and for all other purposes, approval be given for the Company to issue up to 28,300,000 Shares and grant up to 14,150,000 Options to Aurora Minerals Limited on such terms and conditions referred to in the Explanatory Memorandum."

**Voting Prohibition Statement:** The Company will disregard any votes cast on this Resolution by Aurora Minerals Limited and any their associates. 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 the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## 11. Resolution 10 – Approval of additional 10% capacity to issue shares

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

"That for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula set out in Listing Rule 7.1A.2, and on the terms and conditions set out in the Explanatory Statement."

**Voting Prohibition Statement:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**BY ORDER OF THE BOARD**



**E G MOORE  
COMPANY SECRETARY  
DATED: 28 October 2015**

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## Information for voting shareholders

### Voting Entitlements

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, and in accordance with regulation 7.11.37 and 7.11.38 of the *Corporations Regulations 2011* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at **12.00 pm (WST) on 28 November 2015**.

On a poll, Shareholders have one vote for every Share held.

### How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, by fax or as an email attachment.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

### Voting by proxy

In accordance with section 249L of the Corporations Act, members (i.e. Shareholders) are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

Each proxy will have the right to vote on a poll and also to speak at the meeting.

The proxy can be either an individual or a body corporate.

Any instrument appointing a proxy must in accordance with clause 10.34 of the Company's Constitution be received by the Company not less than 48 hours before the time for the meeting (i.e. it must be received by no later than 12.00 pm (WST) on 28 November 2015).

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with its constituent documents and the laws of that corporation's place of incorporation. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, or as an email attachment and by no later than 12.00 pm (WST) on 28 November 2015. If facsimile transmission or email together with an attachment is used, the power of attorney must be certified.

### Directed Proxies

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

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:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- 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; and
- 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 (i.e. as directed); and

- 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 (i.e. as directed).

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

- 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; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - 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.

A proxy form is attached to this Notice of Meeting.

### **Undirected Proxies**

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit subject to any restrictions at law or under the Listing Rules.

Should any resolution, other than those specified in this Notice of Meeting, be proposed at the General Meeting, a proxy may vote on that resolution as they think fit subject to any restrictions at law or under the Listing Rules.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on a poll called in relation to a Resolution and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting prohibition or exclusion laws or rules which apply to some of the proposed Resolutions (if any). These laws and rules (if any) are explained in this Notice.

### **Corporate Representatives**

Any corporation which is a Shareholder may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair of the General Meeting) a natural person to act as its representative at the Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

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## Explanatory Memorandum

### Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of Peninsula Mines Limited (**Peninsula or the Company**) in relation to business to be conducted at the General Meeting to be held at the Company's office at Suite 2, Level 2, 20 Kings Park Road, West Perth, Western Australia at 12.00 pm on Monday 30 November 2015.

### Purpose of Explanatory Memorandum

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

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions and Shareholders should seek their own financial or legal advice.

### Notice to persons outside of Australia

This Explanatory Memorandum has been prepared in accordance with the Corporations Act and the Listing Rules, disclosure requirements and Accounting Standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

### Forward looking statements

Certain statements in this Explanatory Memorandum relate to the future. These statements reflect views only as of the date of this Explanatory Memorandum. While Peninsula believes that the expectations reflected in the forward looking statements are reasonable, neither Peninsula nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

### Disclaimer

No person is authorised to give any information or make any representation in connection with the proposed transactions which is not contained in this Explanatory Memorandum. Any information which is not contained in this Explanatory Memorandum may not be relied on as having been authorised by Peninsula or the Board in connection with the proposed transactions.

### Responsibility for information

The information contained in this Explanatory Memorandum has been prepared by Peninsula and is the responsibility of Peninsula.

### ASX

A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASX pursuant to the Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of the Notice and Explanatory Memorandum.

### Definitions

Many capitalised terms used in this Explanatory Memorandum are defined in the Glossary in Schedule 1 unless the context otherwise requires.

### Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Memorandum should be directed to the Company's Company Secretary, Mr Eric Moore, telephone: +61 8 6143 1840.



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## 1. Financial Statements and Reports

The business of the Meeting will include receipt and consideration of the Annual Financial Report, the Directors Report and the Auditors Report of the Company and its controlled entities for the year ended 30 June 2015.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.peninsulamines.com.au](http://www.peninsulamines.com.au)

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## 2. Resolution 1 – Re-election of Mr Christopher Rashleigh as a Director

Clause 11.3 of the Company's Constitution provides that at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 2 years or more (except the Managing Director) must retire from office.

Mr Christopher Rashleigh will retire by rotation at this Annual General Meeting pursuant to Clause 11.3 of the Company's Constitution and, being eligible for re-election, offers himself for re-election as a Director of the Company.

Details regarding Mr Rashleigh's qualifications are set out in the Company's 2015 Annual Report.

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## 3. Resolution 2 – Approval of Remuneration Report

### General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the company for a financial year.

The Chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

### Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

## 4. Resolutions 3 to 5 - Grant of Options to Consultants associated with Directors of the Company

### 4.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 7,516,000 Consultant Options to Whitby 2009 Pty Ltd, Holihox Pty Ltd and Chris Rashleigh Mining Pty Ltd (or their approved nominees) (**Related Parties**) on the terms and conditions set out below. These companies provide consulting services to the Company.

The Related Parties are associated with the Directors of the Company, namely Executive Director Mr Martin Pyle, Non Executive Chairman, Mr Phillip Jackson and Non Executive Director Mr Chris Rashleigh (respectively).

Subject to obtaining Shareholder approval, the Company proposes to grant a total of:

- 4,344,000 Consultant Options – Class A to Whitby 2009 Pty Ltd (or its approved nominee) which is the consulting company of Peninsula Mines Limited's Executive Director, Mr Martin Pyle – Resolution 3;
- 1,448,000 Consultant Options – Class A to Holihox Pty Ltd (or its approved nominee) which is the consulting company of Peninsula Mines Limited's Chairman of Directors, Mr Phillip Jackson – Resolution 4; and
- 724,000 Consultant Options – Class A and 1,000,000 Consultant Options – Class B to Chris Rashleigh Mining Pty Ltd (or its approved nominee) which is the consulting company of Peninsula Mines Limited's Non Executive Director, Mr Chris Rashleigh – Resolution 5.

The Related Parties have each taken reductions in their fees of 30% since December 2013, receiving shares in the Company in lieu of cash pursuant to the Director and Employee Remuneration Sacrifice Share Plan approved by shareholders in August 2014. From 1 April to 30 June 2015, the Related Parties opted to receive reduced cash fees. Since July 2015, the Directors associated with the Related Parties have opted to receive no cash fees.

The grant of the Consultant Options – Class A and Class B remunerates the Related Parties for cash fees foregone by each Related Party for the six months ending 30 September 2015.

### 4.2 Chapter 2E of the 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.

For the purposes of Chapter 2E, each Director of the Company is considered to be a related party of the Company. Similarly each Related Party is controlled by a Director and as such is considered to be a related party of the Company. Accordingly, the grant of the Consultant Options to the Related Parties pursuant to proposed Resolutions 3 to 5 constitutes the provision of a financial benefit to related parties of the Company.

Although the grant of Consultant Options may fall within one of the exceptions in sections 210 to 216 of the Corporations Act, this is not entirely certain and accordingly, in the interests of certainty it has been determined to seek Shareholder approval to the grant of the Consultant Options to the Related Parties.

In relation to Resolutions 3 and 4, in addition to being related parties of the Company, the grantees are also related parties of the Company's major shareholder Aurora Minerals Limited. Given that Aurora Minerals Limited may be considered to control the Company, Aurora Minerals Limited also requires shareholder approval for the Company to grant Consultant Options to Whitby 2009 Pty Ltd and Holihox Pty Ltd (or their approved nominees). Accordingly, if

Resolutions 3 and 4 are passed, the Consultant Options will only be granted under those Resolutions if the shareholders of Aurora Minerals Limited also provide approval.

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of Consultant Options to the Related Parties.

***The related party to whom the proposed resolutions would permit the financial benefit to be given:***

Whitby 2009 Pty Ltd, Holihox Pty Ltd and Chris Rashleigh Mining Pty Ltd (or their approved nominees) (**Related Parties**) are the related parties to whom a financial benefit would be given.

These companies are related parties by virtue of being controlled by Directors Mr Martin Pyle, Mr Phillip Jackson and Mr Chris Rashleigh (respectively).

***The nature of the potential financial benefit***

The proposed financial benefit to be given to the Related Parties is the grant of Consultant Options for nil consideration to the parties listed in, and for the reason set out in, section 4.1 above.

The Consultant Options – Class A will be granted on the terms and conditions set out in Schedule 2.

The Consultation Options – Class B will be granted on the terms and conditions set out in Schedule 3.

***Directors' recommendation in respect of Resolution 3***

All Directors considered Resolution 3 except for Mr Martin Pyle due to his material personal interest in the matter.

Mr Martin Pyle has a material personal interest in Resolution 3 and accordingly does not wish to make a recommendation in relation to Resolution 3. None of the other Directors has an interest in the outcome of Resolution 3.

Mr Jackson recommends that Shareholders approve Resolution 3 as he is of the view that the grant of Consultant Options to Whitby 2009 Pty Ltd (or its approved nominee) is appropriate remuneration for cash fees foregone by the Related Party for the for the six months ending 30 September 2015.

In making his recommendation Mr Jackson considered the value of the cash fees forgone being \$13,500 versus the theoretical value of the Options being granted as per Table 2 below (\$10,990) and the benefits to the Company in maintaining its cash reserves.

Mr Chris Rashleigh recommends that Shareholders approve Resolution 3 for the reasons given by Mr Jackson above.

***Directors' recommendation in respect of Resolution 4***

All Directors considered Resolution 4 except for Mr Phillip Jackson due to his material interest in the matter.

Mr Philip Jackson has a material personal interest in Resolution 4 and accordingly does not wish to make a recommendation in relation to Resolution 4.

Mr Martin Pyle recommends that Shareholders approve Resolution 4 as he is of the view that the grant of Consultant Options to Holihox Pty Ltd (or its approved nominee) is appropriate remuneration for cash fees foregone by the Related Party for the six months ending 30 September 2015.

In making his recommendation Mr Pyle considered the value of the cash fees forgone being \$4,500 versus the theoretical value of the Options being granted as per Table 2 below (\$3,663) and the benefits to the Company in maintaining its cash reserves.

Mr Chris Rashleigh recommends that Shareholders approve Resolution 4 for the reasons given by Mr Pyle above.

## **Directors' recommendation in respect of Resolution 5**

All Directors considered Resolution 5 except for Mr Chris Rashleigh due to his material personal interest in the matter.

Mr Chris Rashleigh has a material personal interest in Resolution 5 and accordingly does not wish to make a recommendation in relation to Resolution 5.

Phillip Jackson recommends that Shareholders approve Resolution 5 as he is of the view that the grant of:

- (a) the Consultant Options – Class A to Chris Rashleigh Mining Pty Ltd is appropriate remuneration for cash fees foregone by the Related Party for the six months ending 30 September 2015; and
- (b) the Consultant Options – Class B to Chris Rashleigh Mining Pty Ltd is to motivate and reward the performance of Chris Rashleigh Mining Pty Ltd, who procures the services of Chris Rashleigh as a Director.

In making his recommendation Mr Jackson considered the value of the cash fees forgone being \$4,500 versus the theoretical value of the Options being granted as per Table 2 below (\$4,192) and the benefits to the Company in maintaining its cash reserves.

Mr Martin Pyle recommends that Shareholders approve Resolution 5 for the reasons given by Mr Jackson above.

### **4.3 Other information that is reasonably required by members to make a decision whether it is in the best interests of the Company to pass Resolutions 3, 4 and 5 that is known to the Company or any of its Directors:**

#### *(i) Value attributed to the proposed grant of Consultant Options*

The Company has valued the Consultant Options using the Black Scholes Option Pricing Model ("**Black Scholes Model**") which is one of the most widely used and recognised models for pricing options.

The Black Scholes Model calculates the expected benefit from acquiring the Shares outright less the present value of paying the exercise price for the Consultant Options on date of expiration. This model is considered robust and sufficiently accurate as an option pricing tool where options are not expected to be exercised until the end of the option's life. The model uses historical share price volatility measures and therefore may not approximate actual share price behaviours in the future.

The following table incorporates the assumptions used in determining values for each Consultant Option, and the results of the valuation methodology employed.

**Table 1:**

<b>Assumption</b>	<b>Note</b>	<b>Consultant Options – Class A</b>	<b>Consultant Options – Class B</b>
Underlying Share spot price	1	0.6 cents	0.6 cents
Exercise Price	2	0.5 cents	0.84 cents
Dividend rate	3	Nil	Nil
Standard deviation of returns (annualised)	4	88.3%	88.3%
Risk free interest rate	5	1.845%	1.845%
Valuation date	6	12 October 2015	12 October 2015
Expiry date	7	12 October 2017	12 October 2018
Exercise period (months)	7	From the date of issue to 24 months from the date of issue	From the date of issue to 36 months from the date of issue
Black Scholes Valuation (per Option)	8	\$0.00253 (discounted by 20%)	\$0.00236 (discounted by 20%)

- Note 1 The underlying share spot price used for the purposes of this valuation is based on the price of the Shares on the ASX at 12 October 2015.
- Note 2 The exercise price for the Consultant Options – Class A will be 0.5 cents. The exercise price for the Consultant Options – Class B will be the volume weighted average price of the Company's shares for the five trading days prior to the date of grant of the Consultant Options – Class B, plus 40% of that price. Accordingly, the actual exercise price under the Consultant Options – Class B may be greater or lesser than the exercise price specified above, depending on prices at which Shares are traded on the ASX in the five trading days up to the date of grant of the Consultant Options – Class B.
- Note 3 As at the date of this report the Company has not forecast any future dividend payments. For the purposes of the valuation it has therefore assumed been assumed that the Company's Share price is "ex-dividend". If dividend payments were forecast, the value of the Consultant Options would be reduced.
- Note 4 The anticipated standard deviation over the life of the Consultant Options is based on the Company's historical data.
- Note 5 The risk free rate is the Commonwealth Government Bond rate with a maturity date approximately that of the expiration period of the Consultant Options.
- Note 6 The valuation date for the purposes of this report is the last traded date prior to the date of this valuation.
- Note 7 The expiration period is the difference between the issue date and expiration date in years.
- Note 8 The Company's advisers consider that a nominal 20% discount should be applied to all of the Consultant Options, reflecting the unlisted status of the Consultant Options.

Based on the valuation methodologies adopted and the assumptions made, the Company values the:

- (a) Consultant Options – Class A, after considering the values calculated using the Black Scholes method, to equal \$0.00253 each after applying a 20% discount; and
- (b) Consultant Options – Class B, after considering the values calculated using the Black Scholes method, to equal \$0.00236 each after applying a 20% discount.

The value of the Consultant Options to be issued to each Related Party is as follows:

**Table 2:**

<b>Related Party</b>	<b>Number of Consultant Options</b>	<b>Indicative Value</b>
Whitby 2009 Pty Ltd (or its approved nominee)	4,344,000 Consultant Options – Class A	\$10,990
Holihox Pty Ltd (or its approved nominee)	1,448,000 Consultant Options – Class A	\$3,663
Chris Rashleigh Pty Ltd (or its approved Nominee)	724,000 Consultant Options – Class A	\$1,832
Chris Rashleigh Pty Ltd (or its approved Nominee)	1,000,000 Consultant Options – Class B	\$2,360

The valuation assumes that all Consultant Options have vested to the option holder and that there are no performance hurdles that must be achieved that would otherwise potentially dilute the value of the Consultant Options to the holder on the assumption that they may not vest.

(ii) *Remuneration*

The proposed remuneration and emoluments from the Company to the Related Parties (and their associated Directors) for the current financial year are set out below:

<b>Related Party and associated Directors</b>	<b>Consulting Fees<sup>1</sup></b>	<b>Directors Fees<sup>1</sup></b>	<b>Shares</b>	<b>Options<sup>2</sup></b>
Whitby 2009 Pty Ltd – Mr Martin Pyle	\$10,025	\$8,480	Nil	4,344,000
Holihox Pty Ltd – Mr Phillip Jackson	\$16,168	Nil	Nil	1,448,000
Chris Rashleigh Mining Pty Ltd – Mr Chris Rashleigh	\$10,343	\$5,470	Nil	1,724,000

**Notes**

1. The Related Parties and their associated Directors have agreed to receive no cash fees remuneration, including termination fees, since July 2015. Accordingly, the Related Parties and associated Directors will receive less than the above fees for the current financial year (if any). The resumption of the payment of these fees will be considered by the Company on an ongoing basis.
2. Consultant Options which includes Consultant Options the subject of Resolutions 3 to 5 include accruals in lieu of fees not paid in prior financial year.

(iii) *Relevant Interests*

The relevant interests of the Related Parties in Shares and Options at the date of this Notice are as follows:

<b>Direct Holdings and those of Associates</b>	<b>Shares</b>	<b>Options</b>
Holihox Pty Ltd	3,349,844 <sup>1</sup>	4,500,000 <sup>2</sup>
Whitby 2009 Pty Ltd	2,052,337 <sup>3</sup>	1,000,000 <sup>4</sup>
Chris Rashleigh Mining Pty Ltd	7,491,675 <sup>5</sup>	2,500,000 <sup>6</sup>

**Notes**

1. These shares are registered in the name of Phillip Jackson (1,895,000) and Holihox Pty Ltd Super Fund (1,454,844).
2. These options are registered in the names of Phillip Jackson (PSR Family A/C) (2,000,000 exercisable at \$0.40 each on or before 17 May 2017), Holihox Pty Ltd (PSR Super Fund A/C) (1,000,000 exercisable at \$0.0457 on or before 22 August 2016) and Sebastian Phillip Jackson (1,500,000 exercisable at \$0.50 on or before 22 November 2015). The options are unlisted.
3. These shares are registered in the name of M J Pyle Super Fund A/C (833,333) and Whitby 2009 Pty Ltd (1,219,004).
4. These options are registered in the name of Whitby 2009 Pty Ltd and are exercisable at \$0.0457 each on or before 22 November 2015. The options are unlisted.
5. These shares are registered in the name of Chris Rashleigh Mining Superannuation Fund (6,620,136) and held in trust by Indo Gold Limited for Chris Rashleigh Mining Superannuation Fund (871,539).
6. These options are registered in the name of Chris Rashleigh Mining Super Fund and are exercisable at \$0.0457 each on or before 22 November 2015. The options are unlisted.

(iv) *Impact on existing Shareholders*

If the 7,516,000 Consulting Options to be granted under Resolutions 3 to 5 are granted and subsequently exercised in full (assuming no other Shares are issued or Options exercised), the effect would be to dilute the shareholding of existing Shareholders by approximately 3.56%.

The market price of the Shares during the term of the Consultant Options will normally determine whether or not the option holders will exercise the Consultant Options. At the time any Consultant Options are exercised and Shares are issued pursuant to the

exercise of the Consultant Options, the Shares may be trading on ASX at a price which is higher than the exercise price of the Consultant Options.

(v) *Share prices over the past 12 months*

In the 12 months ending on 12 October 2015 the highest price of shares in the Company trading on the ASX was 1.0 cents, which occurred on 28 November 2014, 4 and 15 December 2014, 9 and 23 February 2015 and the lowest price was 0.5 cents on 19 November 2014, 20 March 2015 and 20 August 2015. The share price during this period has traded at various levels.

The closing price of the Company's shares on 12 October 2015 was 0.6 cents.

(vi) *Impact of International Financial Reporting Standards*

The Company's adoption of Australian equivalents to International Financial Reporting Standards means that, under AASB2 Share-based Payment, equity-based compensation is recognised as an expense in respect of the services received.

The Directors (in respect of each Resolution in which they do not have a material personal interest) do not consider there are any significant costs or detriments including opportunity costs or taxation consequences to the Company or benefits forgone by the Company in issuing the Consultant Options to the Related Parties except as otherwise disclosed in this Explanatory Statement.

Neither the Company nor the Directors are aware of any other information that would be reasonably required by shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 5.

#### **4.4 Listing Rule 10.11 – Resolutions 3 to 5**

Listing Rule 10.11 prohibits a listed company from issuing securities to a person who is a related party of the Company without the approval of Shareholders.

The following information is provided to Shareholders in accordance with Listing Rule 10.13 in relation to Resolutions 3 to 5:

- (a) the maximum number of Consultant Options to be granted is 7,516,000 and will be granted to the Related Parties named in (or their approved nominees), and in the quantities as set out in, Table 2 above;
- (b) the Consultant Options will be granted as soon as practicable after the date of the Annual General Meeting (subject to approval by the shareholders of Aurora Minerals Limited in respect of Resolutions 3 and 4) and in any event on a date which will be no later than one month after the date of the Meeting. It is anticipated that all Consultant Options will be granted on the same date;
- (c) Whitby 2009 Pty Ltd is a related party of the Company by virtue of being controlled by Mr Martin Pyle, a Director of the Company;
- (d) Holihox Pty Ltd is a related party of the Company by virtue of being controlled by Mr Phillip Jackson, a Director of the Company;
- (e) Chris Rashleigh Mining Pty Ltd is a related party of the Company by virtue of it being controlled by Mr Chris Rashleigh, a Director of the Company;
- (f) the Consultant Options will be granted for nil consideration;
- (g) no funds will be raised by the grant of the Consultant Options;
- (h) the terms and conditions of the Consultant Options – Class A are set out in Schedule 2 to this Explanatory Memorandum; and
- (i) the terms and conditions of the Consultant Options – Class B are set out in Schedule 3 to this Explanatory Memorandum.

As approval of Shareholders is being sought pursuant to Listing Rule 10.11, under Listing Rule 7.2 (Exception 14), Shareholder approval under ASX Listing 7.1 is not required in relation to the grant of the Consultant Options to the Related Parties under Resolutions 3 to 5.

## 5. Resolution 6 - Grant of Options to Consultants and Employees

Resolution 6 seeks approval for the grant of up to 8,760,000 Consultant Options – Class A to the following consultants to or employees of the Company (or their nominees) and in the amounts set out in Table 1 below.

The grant of the Consultant Options – Class A is designed to recognise the substantial reduction in fees being charged to the Company by the consultants and the reduction in salaries for the employees (as relevant) and do this in a way which does not deplete the Company's cash reserves.

**Table 1**

<b>Name</b>	<b>Employees role or consultant services provided</b>	<b>Number of Options</b>
Golden Kilometre Mines Pty Ltd (a company controlled by Company Secretary Eric Moore)	Corporate	1,448,000
Daniel Noonan (Exploration Manager)	Geological	4,344,000
Adelphi Resources Pty Ltd (a company associated with Group Accountant Bruce Waddell)	Accounting	1,158,000
Hee Sook Kwon (Administrator)	Administration	724,000
Sung Il Han (Geologist)	Geological	724,000
Wendy Beets (Geologist)	Geological	362,000
		<b>8,760,000</b>

### *Additional information*

The following additional information is provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 6:

- (a) the maximum number of Consultant Options – Class A to be granted under Resolution 6 is 8,760,000 and will be granted in the amounts set out in Table 1 above;
- (b) the Consultant Options – Class A will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that grant of the Consultant Options – Class A will occur on the same day;
- (c) the Consultant Options – Class A will be granted for nil consideration and accordingly no funds will be raised from the grant of the Consultant Options – Class A under Resolution 6;
- (d) the Consultant Options – Class A will be granted to are Golden Kilometre Mines Pty Ltd, Mr Daniel Noonan, Adelphi Resources Pty Ltd, Ms Hee Sook Kwon, Mr Sun Il Han, Ms Wendy Beets or the Consulting Companies specified in the second column in Table 1 above, (or their Nominees); and
- (e) the terms and conditions of the Consultant Options – Class A are set out in the Schedule 2 to this Explanatory Memorandum.



## 6. Resolution 7 – Ratification of the Peninsula Mines Limited Share Placement made on 12 October 2015

On 13 October 2015, the Company announced the completion of a capital raising of \$105,466 through the issue of 21,093,291 Shares at an issue price of 0.5 cents per Share together with 1 free attaching Option for every 2 Share subscribed for and issued (**Placement**).

The Company issued the Shares and granted the Options the subject of the Placement without prior Shareholder approval out of its 15% annual placement capacity.

Resolution 7 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of those Shares and the grant of those Options.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### *Additional Information regarding the Placement*

The following additional information in relation to the Placement is provided to shareholders pursuant to Listing Rules 7.4 and 7.5:

- (a) 21,039,282 Shares were issued and 10,546,646 Options were granted;
- (b) the Shares were issued for an issue price of 0.5 cents each raising \$105,466 and the grant price of the Options was nil as they were issued free attaching with the Shares on a 1 for 2 basis;
- (c) the Shares are fully paid ordinary shares ranking pari passu in all respects with all other fully paid ordinary shares in the Company on issue;
- (d) the Options were issued on the terms and conditions set out in Schedule 4;
- (e) the Placement was made to unrelated sophisticated and professional investors; and
- (f) the funds raised from this issue were used to pay \$6,328 in brokerage and the remainder is to be applied for the advancement of the Company's South Korean Projects, and for working capital purposes.

All of the Directors recommend that Shareholders vote in favour of this Resolution as it allows the Company to retain the flexibility to take advantage of appropriate opportunities, through the issue of further equity securities representing up to 15% of the Company's share capital during the next 12 months without the need to first seek shareholder approval under Listing Rule 7.1 of the Listing Rules of the ASX.

All of the Directors were available to consider the proposed Resolution.

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## 7. Resolution 8 – Approval for Placement of Shares and Options

On 13 October 2015, the Company announced the completion of the Placement the subject of Resolution 7 and a proposed further capital raising of up 40,046,709 Shares at an issue price of 0.5 cents per Share to raise up to \$200,233.54, together with 1 free attaching Option for every 2 Share subscribed for and issued, subject to Shareholder approval (**Capital Raising**).

The Shares and Options to be issued under the Capital Raising will be issued to unrelated sophisticated investors, as well as Daniel Noonan, who provides geological services to the Company.

A summary of Listing Rule 7.1 is set out section 6 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares and Options pursuant to the Capital Raising 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.

#### *Additional Information regarding the Placement*

The following additional information in relation to the Placement is provided to shareholders pursuant to Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is up to 40,046,709 and the maximum number of Options to be issued is 20,023,355;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and the grant of the Options will occur on the same date;
- (c) the issue price of the Shares will be 0.5 cents per Share;
- (d) the issue price of the Options will be nil as they will be granted free attaching with the Shares on a 1 for 2 basis;
- (e) the Shares will be issued to and the Options will be granted to the subscribers under the Placement (or their nominees), namely unrelated sophisticated investors as well as Daniel Noonan, who provides geological services to the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options will be granted on the terms and conditions set out in Schedule 4; and
- (h) the Company intends to use the funds raised from the Placement towards brokerage, the advancement of the Company's South Korean Projects and for working capital purposes.

All of the Directors recommend that Shareholders vote in favour of this Resolution as it allows the Company to retain the flexibility to take advantage of appropriate opportunities, through the issue of further equity securities representing up to 15% of the Company's share capital during the next 12 months without the need to first seek shareholder approval under Listing Rule 7.1 of the Listing Rules of the ASX.

All of the Directors were available to consider the proposed Resolution.

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## **8. Resolution 9 – Approval for Placement of Shares and Options to a Related Party**

Pursuant to Resolution 9 the Company is seeking Shareholder approval for the issue to Aurora Minerals Limited (**Aurora**) of up to 28,300,000 Shares at an issue price of 0.5 cents per Share, together with 1 free attaching Option for every 2 Share subscribed for and issued (**Related Party Placement**).

In November 2014, the Company and Aurora entered into a Loan Agreement (**Agreement**) whereby Aurora agreed to advance the Company loan funds to be applied by the Company towards the cost of any capital raisings and for general working capital purposes.

At 30 September 2015, the loan amount owing by the Company to Aurora, including interest, was \$623,637.

The Company and Aurora agreed that Aurora's obligation to pay for the Shares under the Related Party Placement will be offset by a reduction in the amount owing under the Agreement by the same value as the subscription sum.

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.

Aurora's subscription for Shares and Options under the Related Party Placement result in the issue of Shares and the grant of Options which constitutes giving a financial benefit and Aurora is a related party of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Related Party Placement because the Shares and Options will be issued to Aurora on the same terms as Shares and Options will be issued and granted to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

*Listing Rule 10.11*

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Related Party Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

*Technical Information required by Listing Rule 10.13*

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Related Party Placement:

- (a) the Shares and Options will be issued to Aurora Minerals Limited;
- (b) Aurora is a Related Party of the Company as two of Aurora's directors, Mr Phillip Jackson and Mr Martin Pyle, are also directors of Peninsula Mines Limited;
- (c) the maximum number of Shares to be issued is 28,300,000 and the maximum number of Options to be granted is 14,150,000;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Shares and the grant of the Options will occur on the same date;
- (e) the issue price will be 0.5 cents per Share, being the same as all other Shares issued under the Capital Raising;
- (f) the issue price of the Options will be nil as they will be granted free attaching with the Shares on a 1 for 2 basis;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the Options will be issued on the terms and conditions set out in Schedule 4; and
- (i) no funds will be raised from this issue as the subscription price will set off \$141,500 owing by the Company to Aurora under a loan (as described above).

Approval pursuant to Listing Rule 7.1 is not required for the Related Party Placement as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares and the grant of Options to Aurora Minerals Limited will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

## 9. Resolution 10 – Approval of additional 10% capacity to issue shares

### General

Listing Rule 7.1A, provides that an Eligible Entities may seek shareholder approval at an annual general meeting to allow it to issue Equity Securities up to 10% of the its issued capital (**10% Placement Capacity**).

For the purposes of Listing Rule 7.1A, the Company is an Eligible Entity.

### Effect of Resolution 10

If Shareholders approve Resolution 10, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 10 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

### ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$1,392,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has 1 class of listed Equity Securities on issue, being the Shares (ASX Code: PSM).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does

not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and

(iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

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

### Technical information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, the Company provides the following information for the purpose of obtaining shareholder approval under Resolution 10.

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<b>1. Minimum price at which equity securities may be issued</b>	<p>The minimum price at which shares may be issued under the 10% Placement Capacity is 75% of the volume weighted average price of equity securities in the same class calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:</p> <p>(a) the date on which the price of the securities to be issued is agreed; or</p> <p>(b) if they are not issued within 5 ASX trading days of the date in paragraph (a), the ASX trading day on which the securities are issued.</p>
<b>2. Date on which Company may issue equity securities</b>	<p>If shareholder approval of Resolution 10 is obtained, shares may be issued under the 10% Placement Capacity during the period commencing on the date of the Annual General Meeting and ending on the first to occur of the following:</p> <p>(a) 12 months after the date of the Annual General Meeting; and</p> <p>(b) the date of Shareholder approval for any transaction under Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).</p>
<b>3. Purposes for which equity securities may be issued, including whether the Company may issue them for non-cash consideration</b>	<p>(a) Shares may be issued under the 10% Placement Capacity for the following purposes:</p> <p>(i) non-cash consideration for the acquisition of the new resources assets and other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with Listing Rule 7.1A.3; or</p> <p>(ii) cash consideration, in which case the Company intends to use the funds raised to continue exploration and feasibility studies on the Company's current assets, to acquire new assets or investments or for working capital purposes. It is most likely envisaged the requirement for funds from any potential placement would be used towards the funding of drilling programs and exploration programs at the company's South Korean projects.</p> <hr/> <p>(b) The Company will comply with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A in relation to any issue of securities under the 10% Placement Capacity.</p>
<b>4. Details of the Company's allocation policy for issues under approval</b>	<p>(a) The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will depend on the prevailing market conditions at the time of any proposed issue under the 10% Placement Capacity.</p> <p>(b) The identity of allottees under the 10% Placement Capacity will be determined on a case-by-case basis having regard to factors which may include:</p> <p>(i) the purpose of the issue;</p>

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- (ii) alternative methods of raising funds which are available to the Company including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
  - (iii) the effect of any such issue on the control of the Company;
  - (iv) the Company's circumstances, including without limitation, its financial position and solvency;
  - (v) prevailing market conditions; and
  - (vi) advice from corporate, financial and broking advisers.
- (c) As at the date of this Notice, the allottees under the 10% Placement Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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**5. Previous approvals under Listing Rule 7.1A**

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

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**6. Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Shareholders should note that there is a risk that

- (i) the market price for the shares at the time they are issued under the 10% Share Issue Capacity may be materially higher or lower than on the date of the Annual General Meeting; and
- (ii) shares may be issued under the 10% Share Issue Capacity at a price that is at a discount to the market price for those shares on the date of their issue.

Note that the percentage dilution of voting power and economic interest as a result of the issue of additional shares under the 10% Placement Capacity is dependent on the number of shares issued and the issue price for the issue of those shares under the 10% Placement Capacity. This is demonstrated in the hypothetical example below.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.003 (50% decrease in current issue price)	\$0.006 (Current issue price)	\$0.009 (50% increase in current issue price)
<b>300,372,915</b>	<b>Shares issued – 10% dilution</b>	30,037,291	30,037,291	30,037,291
<b>(Current)</b>	<b>Funds Raised</b>	\$90,112	\$180,224	\$270,336
<b>450,559,373</b>	<b>Shares issued – 10% dilution</b>	45,055,937	45,055,937	45,055,937
<b>(50% increase)*</b>	<b>Funds Raised</b>	\$135,168	\$270,336	\$405,503
<b>600,745,830</b>	<b>Shares issued – 10% dilution</b>	60,047,583	60,047,583	60,047,583
<b>(100% increase)*</b>	<b>Funds Raised</b>	\$180,224	\$360,447	\$540,671

\*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 300,372,915 Shares on issue comprising:
  - (a) 232,026,206 existing Shares as at the date of this Notice of Meeting;
  - (b) 68,346,709 Shares which will be issued if Resolutions 8 and 9 are passed at this Meeting; and
2. The issue price set out above is the closing price of the Shares on the ASX on 12 October 2015.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

***Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A***

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

***Voting Exclusion***

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

***Directors' recommendation***

The Directors recommend that Shareholders vote in favour of Resolution 10.



## Schedule 1- Glossary

In this Explanatory Memorandum, unless the context otherwise requires:

<b>\$</b>	Australian dollars
<b>ABN</b>	Australian Business Number.
<b>ACN</b>	Australian Company Number.
<b>Associate</b>	The meaning given to that term in the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Aurora</b>	Aurora Minerals Limited (ABN 46 106 304 787).
<b>Capital Raising</b>	Has the meaning given in section 7 of the Explanatory Statement.
<b>Board</b>	The board of Directors of the Company.
<b>Closely Related Party</b>	Of a member of the Key Management Personnel means: <ul style="list-style-type: none"><li>(a) A spouse or child of the member;</li><li>(b) A child of the member's spouse;</li><li>(c) A dependent of the member's spouse;</li><li>(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;</li><li>(e) A company the member controls; or</li><li>(f) A person prescribed by the Corporations Regulations 2001 (Cth).</li></ul>
<b>Chair</b>	The chair of the Meeting.
<b>Company or Peninsula</b>	Peninsula Mines Limited (ABN 56 123 102 974).
<b>Consultant Options</b>	Consultant Options - Class A and or Consultant Options - Class B (as the context requires).
<b>Consultant Options - Class A</b>	Options on the terms and conditions set out in Schedule 2.
<b>Consultant Options – Class B</b>	Options on the terms and conditions set out in Schedule 3.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Eligible Entity</b>	Has the meaning given in the Listing Rules.
<b>Equity Securities</b>	Has the meaning given in the Listing Rules.
<b>Explanatory Memorandum</b>	The Explanatory Memorandum accompanying the Notice of Meeting.
<b>Key Management Personnel</b>	Has the same meaning as in the accounting standards (as that term is defined in the Corporations Act) and broadly includes 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, directly or indirectly, including any director (whether executive or non executive) of the Company or if the Company is part of a consolidated entity of an entity within the consolidated group.
<b>Listing Rules</b>	The listing rules of the ASX.
<b>Notice of Meeting</b>	The notice convening the Annual General Meeting, which accompanies this Explanatory Memorandum.
<b>Meeting or Annual General Meeting</b>	The annual general meeting of Peninsula called by the Notice of Meeting.
<b>Option</b>	An option to acquire a Share.
<b>Placement</b>	Has the meaning given in Section 6.
<b>Proxy Form</b>	Proxy Form attached to the Notice of Meeting.
<b>Related Parties</b>	Has the meaning given in section 4.1 of the Explanatory Memorandum.
<b>Related Party Placement</b>	Has the meaning given in section 8.
<b>Resolution</b>	Resolution in the Notice of Meeting.
<b>Share</b>	An ordinary share in the capital of the Company.
<b>Shareholder</b>	The registered holder of a Share.

## Schedule 2— Terms and Conditions of Consultant Options – Class A

The Options will entitle the Option Holders to subscribe for Shares in the Company on the following terms:

**(a) Issue price**

Each Option is issued for nil consideration.

**(b) Exercise price**

Each Option shall entitle the Option Holder to acquire one fully paid ordinary share in the capital of the Company upon exercise and payment of the exercise price for the Options which will be 0.5 cents (“Exercise Price”).

**(c) Expiry date**

Options will expire on the Expiry Date for that class of Options. The Expiry Date is the date which is 24 months after the date of grant of the Options unless expiry occurs earlier under these terms and conditions.

**(d) Statement**

A statement will be issued for the Options and sent to the Option Holder together with the terms and conditions of the Options and a written notice that is to be completed when exercising Options.

**(e) Options not listed**

The Options will not be listed for official quotation on the ASX.

**(f) Options not transferable**

Subject to the Listing Rules of the ASX, the Options can be transferred to a Nominee of the Option Holders (as defined in Section (p) Interpretation), but otherwise are not transferable, without the prior written approval of the Directors.

**(g) Exercise**

Subject to n) below, the Options may be exercised by notice in writing to the Company (“the Exercise Notice”), delivery of the Option certificates and payment of the Exercise Price to the Company at any time between the date of grant of such Options and the Expiry Date for the Options (“the Exercise Period”). The Options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 200,000 Options. Within 5 business days of receipt of the “Exercise Notice” and Option certificates and payment of the “Exercise Price”, the Company will allot the corresponding number of fully paid ordinary shares to the Option Holder, procure the issue a statement of holding for the shares and apply for the shares to be listed on the ASX. The shares issued as a result of exercise of the Options shall rank equally in all respects with the other issued fully paid shares in the Company.

**(h) Method of Exercise**

The Holder may exercise the Options using one of two methods:

- (i) Pay the Exercise Price in full for each lot exercised, and have the corresponding number of fully paid ordinary shares issued and
- (ii) Elect to use the Cashless Exercise Facility as defined in Section (p) Interpretation.

**(i) New share issue**

If the Options are exercised before, and the Holder is issued the underlying shares on or before, the record date of a pro rata entitlement issue of securities to shareholders in the Company, the Option Holder can participate in a pro rata issue to the holders of the shares in the Company in respect of the shares issued upon conversion of the Options. The Company must notify the Option Holder of the proposed issue at least 9 business days before the record date. Option Holders do not have a right to participate in new share issues without exercising their Options in accordance with Listing Rule 6.19.

**(j) Bonus Issue**

If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to Shareholders for no consideration, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for calculating entitlements to the pro rata issue.

**(k) Reorganisations**

In the event of any reorganization of the issued capital of the Company, the Options will be reorganized by the Company in accordance with the Listing Rules (including without limitation by changing the number or exercise price for the Options in such manner as may be required by the Listing Rules.)

**(l) Change of Option's exercise price or the number of underlying securities**

(i) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities in the Company into which one option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date;

S = the Subscription price for a security under the pro rata issue;

D = the Dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

(ii) The number of shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of shares received by the Option Holder will include the number of bonus shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

**(m) Dividends**

The Options carry no entitlement to participate in dividends until shares are allotted pursuant to the exercise of the Options.

**(n) Cessation of engagement or death of the Option Holder**

(i) In the event of the death of the Option Holder then all of the Options shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the a deceased Option Holder's legal personal representative.

(ii) In the event that that the person to whom the Options were originally offered to ceases to provide services to, or be employed by, the Company following the takeover of the Company or following a Change in Control, all of the Options shall remain in full force and effect for the full term up until the Expiry Date.

**(o) Directorships**

For the avoidance of doubt it is recorded that the terms of the Options will not be affected in the event that in the future if an Option Holder who is a director of the Company ceases to be a director of the Company.

**(p) Interpretation**

In these terms and conditions the following terms will bear the following means unless the context otherwise requires:

**“Cashless Exercise Facility”** means to exercise a number of Options and not pay an Exercise Price, and thereby receive a lesser number of shares on exercise of the Options such that the Option Holder is allotted a number of shares with an aggregate value equivalent to the net value of the shares the Option Holder would have otherwise acquired if the option holder had paid an Exercise Price, after that Exercise price is deducted from the value of those shares.

**“Change in Control”** means a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of section 50AA of the Corporations Act gains such control over the Company.

**“Expiry Date”** means 24 months after the date of issue.

**“Listing Rules”** means the listing rules as amended from time to time of the ASX.

**“Nominee”** means:

- (i) a spouse or de facto spouse of the Option Holder;
- (ii) a child, sibling or parent of the Option Holder
- (iii) a family trust associated with the Option Holder;
- (iv) a superannuation fund in which the Option Holder or any of the persons referred to above is a member; or
- (v) any other nominee approved by the Company.

**“Options”** means an option to acquire a Share granted on the terms and conditions set out in these terms and conditions.

**“Option Holder”** means the holder of an Option from time to time.

## Schedule 3 — Terms and Conditions of Consultant Options – Class B

The Options will entitle the Option Holders to subscribe for Shares in the Company on the following terms:

**(a) Issue price**

Each Option is issued for nil consideration.

**(b) Exercise price**

Each Option shall entitle the Option Holder to acquire one fully paid ordinary share in the capital of the Company upon exercise and payment of the exercise price for the Options which will be the volume weighted average price of the Company's shares for the five trading days prior to the date of grant of the Options, plus 40% of that price ("Exercise Price").

**(c) Expiry date**

Options will expire on the Expiry Date for that class of Options. The Expiry Date is the date which is 36 months after the date of grant of the Options unless expiry occurs earlier under these terms and conditions.

**(d) Statement**

A statement will be issued for the Options and sent to the Option Holder together with the terms and conditions of the Options and a written notice that is to be completed when exercising Options.

**(e) Options not listed**

The Options will not be listed for official quotation on the ASX.

**(f) Options not transferable**

Subject to the Listing Rules of the ASX, the Options can be transferred to a Nominee of the Option Holders (as defined in Section (p) Interpretation), but otherwise are not transferable, without the prior written approval of the Directors.

**(g) Exercise**

Subject to n) below, the Options may be exercised by notice in writing to the Company ("the Exercise Notice"), delivery of the Option certificates and payment of the Exercise Price to the Company at any time between the date of grant of such Options and the Expiry Date for the Options ("the Exercise Period"). The Options may be exercised in one or more lots on different occasions during the Exercise Period, provided that such lots are equal to or a multiple of 200,000 Options. Within 5 business days of receipt of the "Exercise Notice" and Option certificates and payment of the "Exercise Price", the Company will allot the corresponding number of fully paid ordinary shares to the Option Holder, procure the issue a statement of holding for the shares and apply for the shares to be listed on the ASX. The shares issued as a result of exercise of the Options shall rank equally in all respects with the other issued fully paid shares in the Company.

**(h) Method of Exercise**

The Holder may exercise the Options using one of two methods:

- (i) Pay the Exercise Price in full for each lot exercised, and have the corresponding number of fully paid ordinary shares issued and
- (ii) Elect to use the Cashless Exercise Facility as defined in Section (p) Interpretation.

**(i) New share issue**

If the Options are exercised before, and the Holder is issued the underlying shares on or before, the record date of a pro rata entitlement issue of securities to shareholders in the Company, the Option Holder can participate in a pro rata issue to the holders of shares in the Company in respect of the shares issued upon conversion of the Options. The Company must notify the Option Holder of the proposed issue at least 9 business days before the record date. Option Holders do not have a right to participate in new share issues without exercising their Options in accordance with Listing Rule 6.19.

**(j) Bonus Issue**

If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to Shareholders for no consideration, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for calculating entitlements to the pro rata issue.

**(k) Reorganisations**

In the event of any reorganization of the issued capital of the Company, the Options will be reorganized by the Company in accordance with the Listing Rules (including without limitation by changing the number or exercise price for the Options in such manner as may be required by the Listing Rules.)

**(l) Change of Option's exercise price or the number of underlying securities**

- (i) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities in the Company into which one option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities in the Company during the five (5) trading days ending on the day before the ex rights date or ex entitlements date;

S = the Subscription price for a security under the pro rata issue;

D = the Dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security in the Company.

- (ii) The number of shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of Options. The effect will be that upon exercise of the Options the number of shares received by the Option Holder will include the number of bonus shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price of the Options shall not change as result of any such bonus issue.

**(m) Dividends**

The Options carry no entitlement to participate in dividends until shares are allotted pursuant to the exercise of the Options.

**(n) Cessation of engagement or death of the Option Holder**

- (i) In the event of the death of the Option Holder then all of the Options shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the Option Holder or a deceased Option Holder's legal personal representative.
- (ii) Subject to (i) above and (iii) below, in the event that the person to whom the Options were originally offered to ceases to provide services to, or be engaged by, the Company, then from the date of such cessation ("Cessation Date") one half of the Options in each tranche held by the current holder of the Options shall remain in full force and effect for the full term up until the Expiry Date and the other half of the Options may only be exercised by the current holder of the Options within 3 months of the Cessation Date, and immediately following the exercise of that period such Options shall forthwith lapse and have no further effect unless otherwise determined by the board of directors of the Company.
- (iii) In the event that that the person to whom the Options were originally offered to ceases to provide services to the Company following the takeover of the Company or following a Change in Control, all of the Options shall remain in full force and effect for the full term up until the Expiry Date.

**(o) Directorships**

For the avoidance of doubt it is recorded that the terms of the Options will not be affected in the event that in the future if an Option Holder who is a director of the Company ceases to be a director of the Company.

**(p) Interpretation**

In these terms and conditions the following terms will bear the following means unless the context otherwise requires:

**“Cashless Exercise Facility”** means to exercise a number of Options and not pay an Exercise Price, and thereby receive a lesser number of shares on exercise of the Options such that the Option Holder is allotted a number of shares with an aggregate value equivalent to the net value of the shares the Option Holder would have otherwise acquired if the option holder had paid an Exercise Price, after that Exercise price is deducted from the value of those shares.

**“Change in Control”** means a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of section 50AA of the Corporations Act gains such control over the Company.

**“Expiry Date”** means 36 months after the date of issue.

**“Listing Rules”** means the listing rules as amended from time to time of the ASX.

**“Nominee”** means:

- a. a spouse or de facto spouse of the Option Holder;
- b. a child, sibling or parent of the Option Holder
- c. a family trust associated with the Option Holder;
- d. a superannuation fund in which the Option Holder or any of the persons referred to above is a member; or
- e. any other nominee approved by the Company.

**“Options”** means an option to acquire a Share granted on the terms and conditions set out in these terms and conditions.

**“Option Holder”** means the holder of an Option from time to time.

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## Schedule 4 - Terms and Conditions of Options to be granted by Peninsula Mines Limited Under Resolutions 7 to 9

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- A. Each Option gives the Optionholder the right to subscribe for one Share.
- B. The Options will expire at 5.00pm (Perth time) on 30 September 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- C. The amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**).
- D. The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 500,000 must be exercised on each occasion.
- E. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - a written notice of exercise of Options specifying the number of Options being exercised; and
  - a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised,  
(**Exercise Notice**).
- F. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- G. Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- H. The Options are not transferable.
- I. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- J. The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- K. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- L. There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- M. 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.



**PENINSULA MINES LIMITED**  
**ABN 56 123 102 974**

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West Perth WA 6005  
PO Box 644  
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Facsimile: 61 (8) 9321 4692  
Email: contact@peninsulamines.com.au  
Website: www.peninsulamines.com.au

**Proxy Form**

**Appointment of Proxy**

I/We \_\_\_\_\_

of \_\_\_\_\_  
being a member of Peninsula Mines Limited (**Company**) entitled to attend and vote at the Annual General Meeting of the Company (**Meeting**) to be held at 12.00pm on 30 November 2015 at Suite 2, Level 2, 20 Kings Park Road, West Perth, Western Australia, hereby appoint:

_____ Print name of Proxy	or	<input style="width: 20px; height: 20px;" type="checkbox"/>	the Chair of the Meeting as your proxy (if so please mark the box)
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or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/ our proxy to act on my/ our behalf (including to vote in accordance with the following directors or, if no directions have been given and to the extent permitted at law, as the proxy sees fit) at the Meeting and any postponement or adjournment of the Meeting.

**Important for Resolutions 2 to 6:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you are authorising the Chair of the Meeting to exercise the proxy in respect of resolutions 2 to 6, even though the Resolutions are concerned directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

**CHAIR'S VOTING INTENTIONS AS PROXY HOLDER**

The Chair of the meeting intends to vote undirected proxies FOR the resolutions to which they apply (assuming the Chair is entitled to vote the proxies)

**ORDINARY AND SPECIAL BUSINESS- VOTING INSTRUCTIONS**

I/we direct my/our proxy how to vote in the following manner:

		For	Against	Abstain
<b>Resolution 1</b>	<b>Re-election of Mr Christopher Rashleigh</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	<b>Approval of Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	<b>Approve Issue of Options to a Related Party</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	<b>Approve Issue of Options to a Related Party</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	<b>Approve Issue of Options to a Related Party</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	<b>Approve Issue of Options to Consultants</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b>	<b>Ratify Share Placement</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b>	<b>Approve Capital Raising</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b>	<b>Approve Share Placement to Aurora</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b>	<b>Approve additional 10% share capacity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

***This Proxy is appointed to represent \_\_\_\_\_% of my voting right, or if 2 proxies are appointed  
Proxy 1 represents \_\_\_\_\_% and Proxy 2 represents \_\_\_\_\_% of my total votes  
My total voting right is \_\_\_\_\_ shares***

If the shareholder(s) is an individual(s), every shareholder is to sign:

If the shareholder is a company, sign in accordance with Section 127(1) of Corporations Act or affix common seal (if required by your constitution).

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director or Sole Director and Secretary

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

Dated: \_\_\_\_\_ 2015

Dated: \_\_\_\_\_ 2015

This form is to be used in accordance with the directions overleaf.

### **Instructions for completing and lodging this Proxy Form**

1. A shareholder who is entitled to attend and vote at a meeting is entitled to appoint a proxy (and a shareholder who is entitled to cast two or more votes may appoint not more than two proxies) to attend and vote at the meeting.
2. Where two proxies are appointed each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. Where two proxies for a shareholder are present at the meeting, neither proxy shall be entitled to vote on a show of hands, and on a poll the appointment shall be of no effect, unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights, not exceeding 100% in aggregate.
3. A proxy need not himself be a shareholder of the Company.
4. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with section 127 of the Corporations Act or by its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
5. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the company, must accompany the proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (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; and
  - (c) if the proxy is Chairman, the proxy must vote on a poll and must vote that way; and
  - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

7. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must either be:
  - (a) deposited at the registered office of the Company, Suite 2, Level 2, 20 Kings Park Road, West Perth;
  - (b) be sent by post to Peninsula Mines Limited, PO Box 644, West Perth, WA 6872;
  - (c) be sent by facsimile to Peninsula Mines Limited at (08) 9321 4692 or
  - (d) be emailed to Peninsula Mines Limited at [contact@peninsulamines.com.au](mailto:contact@peninsulamines.com.au)

so as to be received not later than 48 hours before the time fixed for the holding of the meeting - that is it is to be received by 12.00 pm Western Standard Time on 28 November 2015.

### **Change of Address**

Should your address have changed please use this section to advise the Company and, if faxing your proxy form or emailing it as an attachment, please fax or attach by email this side of the proxy form as well.

My new address is:

\_\_\_\_\_

My email address is: \_\_\_\_\_

My phone number is: \_\_\_\_\_