



PENINSULA MINES LIMITED

ABN 56 123 102 974

Peninsula Mines Limited
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Notice of Annual General Meeting

TIME: 11.00 am
DATE: Friday 24 November 2017
PLACE: 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

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 Level 2, 20 Kings Park Road, West Perth, Western Australia on Friday 24 November 2017 at 11.00 am (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.

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 2017.

2. Resolution 1 – Re-election of Mr Martin Pyle as a director of the Company

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

"That Mr Martin Pyle, 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."

3. Resolution 2 - Election of Mr Lawrence Jonathon Dugdale as a director of the Company

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

"That, for the purposes of clause 11.12 of the Constitution and for all other purposes, Mr Lawrence Jonathon Dugdale, a Director who was appointed on 20 January 2017 by the Board to fill a casual vacancy, be elected as a Director."

4. Resolution 3 – 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 2017 as disclosed in the Company's 2017 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. 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.

5. Resolution 4 – Ratify Share Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,719,318 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolution 4 by any person who participated in the issue 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.

6. Resolution 5 – Ratify Share Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 774,950 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolution 5 by any person who participated in the issue 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.

7. Resolution 6 – Ratify Securities Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Options exercisable at 3 cents each and expiring on 4 May 2020 on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolution 6 by any person who participated in the issue 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.

8. Resolution 7 – Ratify Securities Placement

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 20,000,000 Options exercisable at 3.346 cents each and expiring on 13 June 2020 on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolution 7 by any person who participated in the issue 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.

9. Resolution 8 – 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 Memorandum.”

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.

10. Resolution 9 – Issue of Shares to Chris Rashleigh

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given to issue 384,615 Shares at a deemed issue price of \$0.026 each to Chris Rashleigh, or his nominees, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will, in accordance with the Listing Rules, disregard any votes cast on this Resolution by Mr Rashleigh and any of his Associates. However, subject to the voting prohibition below, the Company will not disregard a vote 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 cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on this Resolution by a proxy who is a member of the Key Management Personnel of the Company or, if the company is part of a consolidated entity, for the entity, or a Closely Related Party of such a member. However, the Company will not disregard such a vote if:

- (a) the Proxy Form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy, which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or consolidated entity.

11. Resolution 10 – Approval for possible future placement of Peninsula Mines Shares

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

“That for the purposes of Rule 7.1 of the Listing Rules of the ASX and for all other purposes, that approval be given for the Directors, if they think fit, to issue of up to 100,000,000 ordinary fully paid Shares in the Company at an issue price that is at least 80% of the volume weighted average market price for fully paid ordinary Shares in the Company for the five trading days on which sales in Shares are recorded before the issue is made (or if a prospectus or other disclosure statement issued in relation to the issue before the date of signing of that document) and otherwise on such terms and conditions referred to in the Explanatory Memorandum accompanying this Notice of General Meeting.”

Voting Prohibition Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Shares 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.

BY ORDER OF THE BOARD



E G MOORE
COMPANY SECRETARY
DATED: 24 October 2017

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 **5.00 pm (WST) on 22 November 2017**.

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 11.00 am (WST) on 22 November 2016).

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 11.00 am (WST) on 22 November 2016. 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.

It is noted that the proxy form expressly authorises the Chair to exercise any undirected proxies in relation to each of Resolutions 3 and 9 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. The Chairperson intends to vote all undirected proxies in favour of each of the relevant resolutions.

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.

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 Level 2, 20 Kings Park Road, West Perth, Western Australia at 11.00 am on Friday 24 November 2017.

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 & the Corporations Act (2001). Neither ASX nor any of their 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.

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 2017.

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

Note: There is no requirement for shareholders to approve these documents.

2. Resolution 1 – Re-election of Mr Martin Pyle 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 3 years or more (except the Managing Director) must retire from office.

Mr Martin Pyle 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 Pyle's qualifications are set out in the Company's 2017 Annual Report.

3. Resolution 2 - Election of Mr Lawrence Jonathon (Jon) Dugdale as a director of the Company

Clause 11.1 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Under clause 11.12 of the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Jon Dugdale was appointed by the Board as a Director on 20 January 2017 and will cease to be a Director in accordance with clause 11.12 of the Constitution at the Meeting and, being eligible, seeks re-election. Mr Dugdale is the managing director of the Company.

Mr Dugdale is a fellow of the AusIMM (FAusIMM), a graduate of the Australian Institute of Company Directors (GAICD) and has established a 20 year track record of mineral discovery including significant involvement in projects which have currently progressed to production.

His subsequent 10 years of corporate experience as a resources investment Fund Manager and then CEO/MD with exploration companies has provided Jon with strong analytical, corporate and investor relations skills while maintaining close involvement with advanced project geology/exploration and development and feasibility study work.

The Board consider Mr Dugdale has the right mix of skills to move the Company forward and recommend that shareholders vote in favour of this Resolution.

4. Resolution 3 – 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 two 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.

5. Resolution 4 – Ratification of Prior Issue- Shares

General

On three occasions during the year, the Company issued in aggregate, 2, 719,318 Shares at various deemed issue prices per Share.

The Shares were issued as follows:

Date	Recipient	No of Shares	Price per Share	Amount
10 March 2017	S3 Consortium Pty Ltd	775,193	2.58 cents	\$20,000
12 July 2017	S3 Consortium Pty Ltd	915,318	2.185 cents	\$20,000
4 October 2017	S3 Consortium Pty Ltd	1,028,807	1.944 cents	\$20,000

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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 ASX Listing Rule 7.1 (assuming reach of Resolutions 5, 6 and 7 are also passed) without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

1. 2,719,318 Shares were issued;
2. the deemed issue prices were as per the table above;
3. the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
4. the Shares were issued to S3 Consortium Pty Ltd being an investor relations firm in Australia. This subscriber is not a related party of the Company;
5. no funds were raised from the issue of the Shares as the issue was in consideration of the provision of services worth \$60,000 at normal commercial rates; and
6. a voting exclusion statement is included in the Notice.

6. Resolution 5 – Ratify Share Placement

General

During the year, the Company issued 774,950 Shares at a deemed issue price of \$0.019356 per Share.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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 ASX Listing Rule 7.1 (assuming Resolutions 4, 6 and 7 are also passed) without the requirement to obtain prior Shareholder approval.

a. Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

1. 774,950 Shares were issued;
2. the deemed issue price was \$0.019356 per share;
3. the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
4. the Shares were issued to KMB Australia Pty Ltd being an investor relations firm in Australia. The subscriber is not a related party of the Company;

5. no funds were raised from the issue of the Shares as the issue was in consideration of the provision of services worth \$15,000 at normal commercial rates; and
6. a voting exclusion statement is included in the Notice.

7. Resolution 6 – Ratify Securities Placement

General

During the year, the Company issued 25,000,000 Options at an exercise price of \$0.03 each and an expiry date of 4 May 2020 (**Options**).

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Securities (**Ratification**).

ASX 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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 ASX Listing Rule 7.1 (assuming Resolutions 4, 5 and 7 are also passed) without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

1. 25,000,000 Options were issued.
2. The deemed issue price, as calculated using a Black Scholes Option pricing model, per Option was \$0.00942;
3. The Options were issued for nil cash consideration and have an exercise price of \$0.03 and an expiry date of 4 May 2020 and were allotted and issued by the Company on 4 May 2017. The full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum;
4. The Options were issued to Zenix Nominees Pty Limited in consideration of the provision of corporate advisory services;
5. no funds were raised from the issue of the Options. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and
6. a voting exclusion statement is included in the Notice.

8. Resolution 7 – Ratify Securities Placement

General

During the year, the Company issued 20,000,000 Options at an exercise price of \$0.03346 each and an expiry date of 13 June 2020 (**Options**).

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Securities (**Ratification**).

ASX 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.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX 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 ASX Listing Rule 7.1 (assuming Resolutions 4, 5 and 6 are also passed) without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.4, the following information is provided in relation to the Ratification:

1. 20,000,000 Options were issued.
2. The Options were issued for nil cash consideration and with an exercise price of \$0.03346 and an expiry date of 13 June 2020 and were allotted and issued by the Company on 13 June 2017. The full terms and conditions of the Options are included in Annexure B to this Explanatory Memorandum;
3. The deemed issue price, as calculated using a Black Scholes Option pricing model, per Option was \$0.01027;
4. The Options were issued to Ambrasia Group Limited for corporate advisory and investment services;
5. no funds were raised from the issue of Options. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and
6. a voting exclusion statement is included in the Notice.

9. Resolution 8 – 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 8

If Shareholders approve Resolution 8, 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 8 will generally 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 8 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders entitled to vote on the Resolution must be in favour of Resolution 8 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 less than \$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 less than \$300,000,000.

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

- | | |
|---|---|
| 1. Minimum price at which equity securities may be issued | <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> <ul style="list-style-type: none">(a) the date on which the price of the securities to be issued is agreed; or(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. |
| 2. Date on which Company may issue equity securities | <p>If shareholder approval of Resolution 8 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> <ul style="list-style-type: none">(a) 12 months after the date of the Annual General Meeting; and(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). |
| 3. Purposes for which equity securities may be issued, including whether the Company may issue them for non-cash consideration | <ul style="list-style-type: none">(a) Shares may be issued under the 10% Placement Capacity for the following purposes:<ul style="list-style-type: none">(i) non-cash consideration for the acquisition of the new resources assets and other investments (including expenses associated with such an acquisition) by the Company or a subsidiary. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with Listing Rule 7.1A.3; or(ii) cash consideration, in which case the Company intends to use the funds raised to continue exploration and/or feasibility studies on the Company's or its subsidiaries' current assets or to acquire new resources, assets or investments (whether acquired by the Company directly or through a subsidiary) or for working capital purposes (or a mixture of any such 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 subsidiaries' South Korean projects. <hr/> <ul style="list-style-type: none">(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. |
-

Technical information required by Listing Rule 7.3A

- 4. Details of the Company's allocation policy for issues under approval**
- (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.
- (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:
1. the purpose of the issue;
 2. 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;
 3. the effect of any such issue on the control of the Company;
 4. the Company's circumstances, including without limitation, its financial position and solvency;
 5. prevailing market conditions; and
 6. 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 and other Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (d) Further, if the Company or a subsidiary is successful in acquiring new resources, assets or investments, it is possible that the recipients under the 10% Placement Capacity may be vendors of the new resources, assets or investments.

-
- 5. Previous approvals under Listing Rule 7.1A**
- The Company has previously obtained approval under ASX Listing Rule 7.1A. at its Annual General Meeting held on 29 November 2016.
-

- 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 8 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% Placement 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% Placement 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)	\$0.0095 (50% decrease in current issue price)	\$0.019 (Current issue price)	\$0.0285 (50% increase in current issue price)
566,966,095 (Current)	Shares issued – 10% dilution	56,696,609	56,696,609	56,696,609
	Funds Raised	538,617	1,077,235	1,615,853
850,449,142 (50% increase)*	Shares issued – 10% dilution	85,044,914	85,044,914	85,044,914
	Funds Raised	807,926	1,615,853	2,423,780
1,133,932,190 (100% increase)*	Shares issued – 10% dilution	113,393,219	113,393,219	113,393,219
	Funds Raised	1,077,235	2,154,471	3,231,706

*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 566,966,095 Shares on issue.
2. The 'current issue price' set out above is the closing price of the Shares on the ASX on 12 October 2017.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. Ratification of the Shares and Options, the subject of Resolutions 4 - 7, is assumed to have occurred.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised and converted 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 or exceptions to ASX Listing Rule 7.1.
8. The 10% dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the 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.

Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2016.

In the 12 months preceding the date of this Notice, the Company issued a total of 138,563,029 Equity Securities which represent 22% of the total number of Equity Securities on issue at 29 November 2016.

The Equity Securities issued in the preceding 12 months were undertaken in twelve issues as detailed below.

Issue # 1	
Date of issue:	1 December 2016
Number issued:	13,104,761
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully Paid Ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	11,904,761 – Aurora Minerals Limited 1,200,000 – M Pyle
Price:	2.1 cents per share
Discount to market price (if any):	N/A
For cash issue	
Total cash consideration received:	\$275,200
Amount of cash consideration spent:	\$275,200
Use of cash consideration:	Exploration of Company's subsidiaries South Korean projects and working capital
Intended use for remaining amount of cash (if any):	N/A

Issue #2	
Date of issue:	1 December 2016
Number issued:	27,900,000
Class/Type of equity security:	Unlisted options
Summary of terms:	Exercisable at various prices and dates
Names of persons who received securities or basis on which those persons was determined:	Company's directors and consultants
Price:	Nil
Discount to market price (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Issue was for non-cash consideration and was designed to reward the commitment and performance of the Directors and better align their interests with shareholders.
Current value of that non-cash consideration:	\$141,291 based on a Black-Scholes valuation model

Issue #3	
Date of issue:	14 February 2017
Number issued:	570,000
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Exercise of Unlisted Options
Names of persons who received securities or basis on which those persons was determined:	Issued to Optionholder
Price:	0.5 cents per share
Discount to market price (if any):	80%
For cash issue	
Total cash consideration received:	\$2,850
Amount of cash consideration spent:	\$2,850
Use of cash consideration:	Exploration of Company's subsidiaries South Korean projects and working capital
Intended use for remaining amount of cash (if any):	N/A

Issue #4	
Date of Issue:	10 March 2017
Number Issued:	775,193
Class/type of equity security:	Ordinary Shares
Summary of terms:	Issued in lieu of \$20,000 cash as part payment for Investor Relations services
Names of persons who received securities or basis on which those persons were determined:	S3 Consortium Pty Ltd
Price:	Deemed price of 2.58 cents per share
Discount to market price (if any):	Nil
For non-cash issue	
Non-cash consideration paid:	Nil cash consideration as issued for the provision of services
Current value of that non-cash consideration:	\$14,728

Issue #5	
Date of Issue:	4 May 2017
Number Issued:	774,950
Class/type of equity security:	Ordinary Shares
Summary of terms:	Issued in lieu of \$15,000 cash as payment for Investor Relations services
Names of persons who received securities or basis on which those persons were determined:	KMB Australia Pty Ltd
Price:	Deemed price of \$0.019356 per share
Discount to market price (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Nil cash consideration as issued for the provision of services
Current value of that non-cash consideration:	\$14,724

Issue #6	
Date of issue:	4 May 2017
Number issued:	25,000,000
Class/Type of equity security:	Unlisted Options
Summary of terms:	Exercisable at \$0.03 on or before 4 May 2020
Names of persons who received securities or basis on which those persons was determined:	Zenix Nominees Pty Ltd, a wholly owned subsidiary of Hartleys Limited, in consideration for corporate advisory and capital raising services.
Price:	Nil
Discount to market price (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Issued as consideration for corporate advisory and capital raising services
Current value of that non-cash consideration:	\$235,500 at normal commercial rates (the options issued have been valued at this amount based on a Black-Scholes valuation model)

Issue #7	
Date of issue:	13 June 2017
Number issued:	20,000,000
Class/type of equity security:	Unlisted options
Summary of terms:	Exercisable at \$0.03346 on or before 13 June 2020 subject to Terms and Conditions
Names of persons who received securities or basis on which those persons were determined:	Ambrasia Group Limited, for corporate advisory and investment services to the Company.
Price:	Nil
Discount to market price (if any):	N/A
For non-cash issue	
Non-cash consideration paid:	Issued as consideration for corporate advisory and investment services and subject to vesting Terms and Conditions as set out in Annexure B attached hereto
Current value of that non-cash consideration:	\$102,702 at normal commercial rates (the options issued have been valued at this amount based on a Black-Scholes valuation model)

Issue #8	
Date of issue:	12 July 2017
Number issued:	915,318
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Issued in lieu of \$20,000 cash as part payment for Investor Relations services
Names of persons who received securities or basis on which those persons was determined:	S3 Consortium Pty Ltd
Price:	Deemed price of 2.185 cents per share
Discount to market price (if any):	Nil
For non-cash issue	
Non-cash consideration paid:	Nil cash consideration as issued for the provision of investor relations services
Current value of that non-cash consideration:	\$17,391

Issue #9	
Date of issue:	2 August 2017
Number issued:	4,344,000 Fully Paid Ordinary Shares
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully Paid Ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	Issued to option holder on exercise of unlisted options
Price:	0.5 cents
Discount to market price (if any):	76%
For cash issue	
Total cash consideration received:	\$21,720
Amount of cash consideration spent:	N/A
Use of cash consideration:	Exploration of Company's subsidiaries Sth Korean projects and working capital
Intended use for remaining amount of cash (if any):	As above

Issue #10	
Date of issue:	18 August 2017
Number issued:	34,150,000 Fully Paid Ordinary Shares
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully Paid Ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	Issued to option holder on exercise of unlisted options
Price:	0.5 cents
Discount to market price (if any):	79%
For cash issue	
Total cash consideration received:	\$170,750
Amount of cash consideration spent:	N/A
Use of cash consideration:	Exploration of Company's subsidiaries Sth Korean projects and working capital
Intended use for remaining amount of cash (if any):	As above

Issue #11	
Date of issue:	26 September 2017
Number issued:	10,000,000 Fully Paid Ordinary Shares
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Fully Paid Ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	Issued to option holder on exercise of unlisted options
Price:	0.5 cents
Discount to market price (if any):	79%
For cash issue	
Total cash consideration received:	\$50,000
Amount of cash consideration spent:	N/A
Use of cash consideration:	Exploration of Company's subsidiaries Sth Korean projects and working capital
Intended use for remaining amount of cash (if any):	As above

Issue #12	
Date of issue:	4 October 2017
Number issued:	1,028,807 Fully Paid Ordinary Shares
Class/Type of equity security:	Ordinary Shares
Summary of terms:	Issued in lieu of \$20,000 cash as part payment for Investor Relations services
Names of persons who received securities or basis on which those persons was determined:	S3 Consortium Pty Ltd
Price:	Deemed price of 1.944 cents per share
Discount to market price (if any):	Nil
For non-cash issue	
Non-cash consideration paid:	Provision of investor relations services
Current value of that non-cash consideration:	\$19,547

Voting Exclusion statement

A voting exclusion statement for Resolution 8 is included in the Notice of Meeting.

At the date of the Notice of Meeting:

- the Company had not approached any existing Shareholder or class of security holders in relation to the proposed 10% Share Issue; and
- in accordance with Listing Rule 14.11.1, the persons eligible to participate in a proposed issue (if any) under Listing Rule 7.1A are not known by the Company.

Accordingly, no Shareholders are currently excluded from voting on Resolution 8.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

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.

10. Resolution 9 - Approval of Issue of Shares to Chris Rashleigh

General

Former managing director, Mr Chris Rashleigh is entitled to shares to the value of \$10,000, subject to shareholder approval, pursuant to an agreement signed with the Company on 3 February 2017 which sets out the terms of Mr Rashleigh's retirement as a director of the Company. That agreement provided for Mr Rashleigh to be paid a retirement benefit totalling \$20,000 comprising a cash payment of \$10,000 and shares having a value of \$10,000 based on the volume weighted average price of the Company's Shares for the five trading dates prior to 6 February 2017.

Under Section 208 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 (such as a director of the 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. Section 210 of the Corporations Act provides that shareholder approval for the purposes of Section 208 of the Corporations Act is not needed to give a financial benefit on the terms that would be reasonable in the circumstances if the public company and the related party were dealing at arms' length or more favourable to the Company than such terms (**Reasonable Arms' Length Terms Exception**).

It is the view of the Directors that the issue of the Shares to Mr Rashleigh under Resolution 9 falls under the Reasonable Arms' Length Terms Exception in Section 210 of the Corporations Act having regard to the following factors:

- Mr Rashleigh's long period of service to the Company and his significant contribution to the development of the Company;
- Mr Rashleigh's high level of responsibility and skills;
- Mr Rashleigh's provision of assistance during past critical periods of the Company's development in foregoing his usual remuneration; and
- Market norms in terms of provision of retirement benefits to departing directors and executives.

Accordingly, Shareholder approval is only being sought under Listing Rule 10.11.

Listing Rule Notice Requirements

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

- 1 the Shares will be allotted as soon as practicable following the close of this Meeting and in any event no later than 1 month of the date of this Meeting;
- 2 The Shares will be issued to Mr Rashleigh or his nominees;
- 3 the deemed issue price of the Shares is \$0.026 per Share;
- 4 the number of Shares to be issued is 384,615;
- 5 the Shares issued will be fully paid ordinary Shares and rank equally with other fully paid ordinary Shares on issue;
- 6 a voting exclusion statement is included in this Notice; and
- 7 no funds will be raised from the issue of Shares to Mr Rashleigh pursuant to this Resolution as the Shares are being issued as part of his termination and retirement arrangements.

In accordance with Exception 14 of Listing Rule 7.2, it is stated that if Resolution 9 is passed shareholder approval under listing rule 7.1 is not required in relation to the issue of the Shares to Mr Rashleigh or his nominees.

11. Resolution 10 - Approval for possible future placement of Shares

The purpose of this Resolution is to give the Company the opportunity, if it arises, to take advantage of any favourable market conditions in late 2017 or early 2018 to raise capital. The Company seeks prior shareholder approval under ASX Listing rule 7.1 for the issue of up to 100,000,000 fully paid ordinary shares in the Company ("Issue") at the date of the issue, at a price that is at least 80% of the volume weighted average market price of the Company's fully paid ordinary shares over the last 5 days on which sales of the Company's shares are recorded before the day of issue of the Shares (or if a prospectus or other disclosure statement relating to the issue is created, before the date that prospectus or other disclosure document is signed).

Shareholder approval of the Placement is sought pursuant to Listing Rule 7.1 so as to preserve the ability of the Company to also issue up to 15% of the issued capital of the Company (in addition to the Issue) during the next twelve months without obtaining prior shareholder approval under the Company's usual placement capacity under Listing Rule 7.1 (assuming Resolutions 4 to 7 are passed at the AGM so as to reinstate the Company's full 15% capacity under Listing Rule 7.1).

The identities of the proposed allottees in respect of the Issue are not currently known and have not been ascertained. It is expected an Issue, if it proceeds, would be made to clients of the Company's brokers, potentially to our shareholders and may include new overseas investors.

The intended purpose of the Issue is to raise funds for the advancement of the Company's subsidiaries' exploration projects in South Korea, to enhance the Company's business development strategies and to provide working capital for the Company and its subsidiaries.

Any Shares to be issued in accordance with Resolution 10 will be issued no later than 3 months after the Annual General Meeting unless the ASX grant a waiver to allow a later allotment, and allotment will occur progressively.

Any Shares issued pursuant to the Issue will be fully paid ordinary Shares and will rank equally with all other existing fully paid Shares in the Company from their date of issue.

The Directors believe that Resolution 10 is in the best interests of the Company giving it the strategic capability it may require to take advantage of favourable market conditions and unanimously recommend that shareholders vote in favour of it.

A voting exclusion statement is included in the Notice.

Annexure A

Terms and Conditions of Options – Zenix Nominees Pty Ltd Options

The Options will entitle the Option Holder 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 which will be 3.0 cents per Option (“Exercise Price”).

(c) Expiry date

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

(d) Holding Statement

Upon grant a holding 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 (“Exercise Notice”).

(e) Options not listed

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

(f) Options not transferable

The Options are not transferable except with the prior written consent of the Company.

(g) Exercise

The Options may be exercised by the Option Holder by serving a duly completed Exercise Notice on the Company and payment of the Exercise Price to the Company at any time between the date of issue and the Expiry Date (“the Exercise Period”). The Options may be exercised in one or more lots, of not less than 5,000,000 Options at any one time, on different occasions during the Exercise Period. Within 5 business days of receipt of the “Exercise Notice” and payment of the “Exercise Price”, the Company will allot and issue the corresponding number of fully paid ordinary shares to the Option Holder, procure the issue of a holding statement for the relevant shares issued upon exercise of the relevant Options and apply for the shares to be listed on the Official List of the Australian Securities Exchange. 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) New share issue and Bonus Issues

There are no participating rights or entitlements inherent in the Options and Option Holders 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 Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) Reorganisations

In the event of any reorganisation of the issued capital of the Company, the Options will be reorganised by the Company in a manner consistent with the ASX Listing Rules and the Corporations Act 2001 (Cth).

(J) No Change in Exercise Price or number of securities

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.

(I) Dividends

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

(m) Interpretation

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

“**Company**” means Peninsula Mines Limited;

“**Exercise Period**” bears the meaning ascribed in clause (g);

“**Exercise Price**” bears the meaning ascribed in clause (b)

“**Expiry Date**” bears the meaning ascribed in clause (c);

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

“**Market Price**” bears the same meaning as in Chapter 19 of the Listing Rules;

“**Options**” means the options governed by these terms and conditions; and

“**Option Holder**” means the holder of an Option.

Annexure B

Terms and Conditions of Options – Ambrasia Group Limited Options

The Options will entitle the Option Holder 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 for each Option held upon exercise and payment of the exercise price which will be the greater of a 50% premium to the VWAP of the shares in Peninsula Mines Limited for the 5 days on which the shares were traded on the Australian Securities Exchange prior to the date of issue, or 3.0 cents ("Exercise Price"). The Options shall be exercisable at any time after the Option Holder has raised a minimum of US\$2 million, provided that the monies raised are completed within 12 months of the date of signing of this Agreement but shall otherwise not be capable of exercise, but shall be exercisable no later than 3 years from the date of issue of the Options.

(c) Expiry date

The Options will expire on the date which is 36 months after the date of issue of the Options unless expiry occurs earlier under these terms and conditions.

(d) Holding Statement

Upon grant a holding 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 ("Exercise Notice").

(e) Options not listed

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

(f) Options not transferable

The Options are not transferable except with the prior written consent of the Company.

(g) Exercise

The Options may be exercised by the Option Holder by serving a duly completed Exercise Notice on the Company and payment of the Exercise Price to the Company at any time between the date of issue and the Expiry Date ("the Exercise Period"). The Options may be exercised in one or more lots, of not less than 5,000,000 Options at any one time, on different occasions during the Exercise Period. Within 5 business days of receipt of the "Exercise Notice" and payment of the "Exercise Price", the Company will allot and issue the corresponding number of fully paid ordinary shares to the Option Holder, procure the issue of a holding statement for the relevant shares issued upon exercise of the relevant Options and apply for the shares to be listed on the Official List of the Australian Securities Exchange. 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) New share issue and Bonus Issues

There are no participating rights or entitlements inherent in the Options and Option Holders 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 Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(I) Reorganisations

In the event of any reorganisation of the issued capital of the Company, the Options will be reorganised by the Company in a manner consistent with the ASX Listing Rules and the Corporations Act 2001 (Cth).

(J) No Change in Exercise Price or number of securities

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.

(I) Dividends

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

(m) Interpretation

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

“**Company**” means Peninsula Mines Limited;

“**Exercise Period**” bears the meaning ascribed in clause (g);

“**Exercise Price**” bears the meaning ascribed in clause (b)

“**Expiry Date**” bears the meaning ascribed in clause (c);

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

“**Market Price**” bears the same meaning as in Chapter 19 of the Listing Rules;

“**Options**” means the options governed by these terms and conditions; and

“**Option Holder**” means the holder of an Option.

Schedule 1- Glossary

In this Explanatory Memorandum, unless the context otherwise requires:

\$	Australian dollars
ABN	Australian Business Number.
ACN	Australian Company Number.
Associate	The meaning given to that term in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	The board of Directors of the Company.
Closely Related Party	Of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) A spouse or child of the member;(b) A child of the member's spouse;(c) A dependent of the member's spouse;(d) Anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) A company the member controls; or(f) A person prescribed by the Corporations Regulations 2001 (Cth).
Chair	The chair of the Meeting.
Company or Peninsula	Peninsula Mines Limited (ABN 56 123 102 974).
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Entity	Has the meaning given in the Listing Rules.
Equity Securities	Has the meaning given in the Listing Rules.
Explanatory Memorandum	The Explanatory Memorandum accompanying the Notice of Meeting.
Key Management Personnel	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.
Listing Rules	The listing rules of the ASX.
Notice of Meeting	The notice convening the Annual General Meeting, which accompanies this Explanatory Memorandum.
Meeting or Annual General Meeting	The annual general meeting of Peninsula called by the Notice of Meeting.
Option	An option to acquire a Share.
Proxy Form	Proxy Form attached to the Notice of Meeting.
Resolution	Resolution in the Notice of Meeting.
Share	An ordinary share in the capital of the Company.
Shareholder	The registered holder of a Share.
volume weighted average market price	means the volume weighted average price of trading in Shares on the ASX over the relevant period excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours period and out of hours trades and exchange traded option exercises.

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PENINSULA MINES LIMITED
ABN 56 123 102 974

Suite 2, Level 2
 20 Kings Park Road
 West Perth WA 6005
 PO Box 644
 West Perth WA 6872

Telephone: 61 (8) 6143 1840
 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 11.00 am on 24 November 2017 at Level 2, 20 Kings Park Road, West Perth, Western Australia, hereby appoint:

_____ or the Chair of the Meeting as your
 Print name of Proxy proxy (if so please mark the box)

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 directions 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 3 and 9: If the Chair of the Meeting is my/our proxy, either by appointment or by default, and I/we have not indicated my/our voting instruction below, I/we are expressly authorising the Chair of the Meeting to exercise the proxy in respect of Resolutions 3 and 9, even though the Resolutions are concerned directly or indirectly with the remuneration of a member of the Company's Key Management Personnel or if the Company is part of a consolidated entity, the entity.

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
Resolution 1	Re-election of Mr Martin James Pyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Mr Lawrence Jonathon Dugdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratify Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratify Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratify Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratify Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approve additional 10% share capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of issue of shares to Chris Rashleigh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval for possible future placement	<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: _____ 2017

Dated: _____ 2017

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

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 11.00 am Western Standard Time on 22 November 2017.

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: _____