



# METEORIC RESOURCES

ABN 64 107 985 651

**NOTICE OF GENERAL MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

**AND**

**PROXY FORM**

**Date of Meeting**

Thursday, 13 August 2015

**Time of Meeting**

9.30 am

**Place of Meeting**

Ground Floor  
10 Outram Street  
WEST PERTH WA 6005

*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

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**METEORIC RESOURCES NL**  
**ABN 64 107 985 651**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of Shareholders of Meteoric Resources NL (**the Company**) will be held at Ground Floor, 10 Outram Street, West Perth, Western Australia on Thursday, 13 August 2015 at 9:30 am (WST) (**Meeting**) for the purpose of transacting the following business.

**Resolution 1 – Ratification of Issue of Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 16,000,000 Shares to persons and on the terms set out in the Explanatory Memorandum accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by persons who participated in the issue and/or 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.

**Resolution No. 2 – Approval for the Proposed Issue of Shares:**

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

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves the issue of up to 48,000,000 Shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement at a price of \$0.008 per share to selected professional and/or sophisticated investors who satisfy either of the definitions contained in sections 708(8), 708(10) and 708(11) of the Corporations Act 2001.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 2 by a person, and/or an Associate of that person, who may participate in the proposed issue and a person who might obtain a benefit, the subject of Resolution 2, except a benefit derived solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if either the vote 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 the vote 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.

**Resolution No. 3 – Approval for the Participation by Directors in Proposed Issue of Shares:**

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

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, members of the Company approve and authorise the Directors to be issued with up to 7,500,000 ordinary shares on the same basis as that determined in Resolution 2 as part of the Proposed Issue of Shares, the subject of Resolution 2.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 3 by a person, and/or an Associate of that person, who may participate in the proposed issue and a person who might obtain a benefit, the subject of Resolution 3, except a benefit derived solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if either the vote 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 the vote 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.

**Resolution 4 – Approval to Grant Options to CPS Capital Group Pty Ltd and/or its nominee/s:**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the grant of up to 9,000,000 Options at an exercise price of 2 cents per Option having an expiry date of 30 June 2018 to CPS Capital Group Pty Ltd and/or its nominee/s, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 4 by any person who may participate in the issue 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.

**SPECIAL BUSINESS:**

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

**Resolution No. 5 – Approval to Grant Options to GJ Clatworthy:**

That for the purposes of ASX Listing Rule 10.11, Section 195 and Chapter 2E of the Corporations Act 2001 and all other purposes, the directors be authorised to grant a total of 3,000,000 Options to subscribe for Shares (on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting) to GJ Clatworthy or his nominee(s).

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METEORIC RESOURCES NL**

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**Resolution No. 6 – Approval to Grant Options to NJ Bassett:**

That for the purposes of ASX Listing Rule 10.11, Section 195 and Chapter 2E of the Corporations Act 2001 and all other purposes, the directors be authorised to grant a total of 2,500,000 Options to subscribe for Shares (on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting) to NJ Bassett or his nominee(s).

**Resolution No. 7 – Approval to Grant Options to G Sakalidis:**

That for the purposes of ASX Listing Rule 10.11, Section 195 and Chapter 2E of the Corporations Act 2001 and all other purposes, the directors be authorised to grant a total of 2,500,000 Options to subscribe for Shares (on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting) to G Sakalidis or his nominee(s).

**Voting Exclusion Statement:** The Company will disregard any votes cast on resolutions 5, 6 and 7 by the director who may benefit from each of those separate resolutions and any person who for the purposes of the Corporations Act 2001 would be regarded as a person (“**Associate**”) associated with that director. However the Company need not disregard a vote if it is cast by a director and/or Associate 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 director or Associate who is 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.

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

*Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.*

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**PROXIES**

A Proxy Form is attached.

In accordance with Section 250BA of the Corporations Act 2001, the Company specifies the following for the purposes of receipt of properly completed proxy appointment forms which must be received no later than 9:30am (WST) on Tuesday 11 August 2015:

- *by post to:*  
Security Transfer Registrars Pty Ltd  
PO Box 535  
Applecross, WA 6953
- *by delivery to:*  
Security Transfer Registrars Pty Ltd  
Alexandrea House, Suite 1  
770 Canning Highway  
Applecross, WA 6153
- *by facsimile to* +61 8 9315 2233
- *by email to* [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

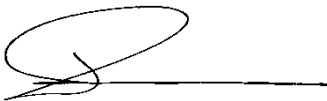
**ENTITLEMENT TO VOTE**

For the purposes of Section 1074E of the Corporations Act 2001 and Regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5.00 pm Perth time on Tuesday 11 August 2015 will be entitled to attend and vote at the Meeting.

**CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

By order of the Board.



**Rudolf Tieleman**  
**Company Secretary**

Date: 13 July 2015

This Explanatory Memorandum has been prepared for the Shareholders of Meteoric Resources NL ABN 64 107 985 651 (**the Company**) in connection with the business to be conducted at a General Meeting of the Company to be held at Ground Floor, 10 Outram Street, West Perth, Western Australia on Thursday, 13 August 2015 at 9:30 am (WST).

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying Notice.

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

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the Meeting, Shareholders will be asked to consider Resolutions to:

- ratify the previous issue of Shares;
- grant approval to issue new Shares;
- grant approval for the Directors to participate in the proposed issue of new Shares;
- grant approval for Options to be granted to CPS Capital Group Pty Ltd and/or its nominee/s; and
- grant approval for Options to be granted to director and/or their nominees.

### **Resolution 1 – Ratification of Issue of Shares**

#### **1.1 General**

The Company issued 2,000,000 Shares on 12 March 2015 at an issue price of \$0.015 per Share and 14,000,000 Shares on 12 May 2015 at an issue price of \$0.008 per Share under its 15% placement capacity and now seeks, pursuant to Resolution 1 of the Notice, to ratify the issue of those Shares.

Resolution 1 is proposed for the purposes of ASX Listing Rule 7.4 which provides that shareholders may ratify the issue of securities made without their prior approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to refresh the company's maximum discretionary power to issue further shares up to 15% of its' issued capital in circumstances contemplated by that Listing Rule.

The Company confirms that the issue of the Shares the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

#### **1.2 Listing Rules Notice Requirements**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 16,000,000 Shares were issued by the Company;
- (b) the issue price per Share was \$0.015 in respect of 2,000,000 Shares and \$0.008 in respect of 14,000,000 Shares;
- (c) the Shares issued were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (d) 2,000,000 Shares were issued pursuant to an agreement to acquire the remaining interest in a mineral tenement and 14,000,000 Shares were issued as a private placement to sophisticated, professional and experienced investors who were not related parties of the Company; and
- (e) the funds raised have been applied towards general working capital.

#### **1.3 Directors' Recommendation**

The Directors of the Company believe that Resolution 1 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

### **Resolution 2 – Approval for Proposed Issue of Shares**

#### **2.1 Background**

On 29 April 2015, the Company announced that:

- an agreement had been reached for the placement of 14 million new Shares at \$0.008 each to raise \$112,000;
- that it also intended to issue an additional 30 million Shares at \$0.008 to raise a further \$240,000 subject to shareholder approval;
- The funds raised through those placements would be used to fund existing projects, investigate new opportunities and for general working capital; and
- CPS Capital Pty Ltd would be handling the capital raising (the **Capital Raising**).

Since that date, consultations between the Company and CPS Capital Pty Ltd have determined that it would be in the best interests of the Company to increase the funding being sought. It was decided that approval would therefore be requested to place an additional 18 million Shares on the same basis as that announced bringing the total proposed issue to 48 million Shares.

## **2.2 ASX Listing Rule Requirements**

ASX Listing Rule 7.1 relevantly provides that the prior approval of the Shareholders of the Company is required to an issue of Equity Securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue of shares outlined in Resolution 2 will exceed the 15% limit and therefore requires such approval.

In compliance with the information requirements of ASX Listing Rule 7.3, members are advised of the following particulars in relation to the proposed placement.

- (a) The maximum number of securities the Company may issue is 48,000,000 ordinary fully paid shares;
- (b) The Company will issue the shares either simultaneously or progressively, in whole or in part (if at all) and will be completed by no later than 3 months after the date of the Meeting (except for the new Shares being issued to Directors pursuant to Resolution 3 which must be issued within one month after the date of the Meeting), unless otherwise extended by way of ASX granting a waiver;
- (c) The shares will be issued at a price of \$0.008 per share;
- (d) At the issue price of \$0.008, the Proposed Issue of Shares will yield up to \$384,000;
- (e) The shares are proposed to be issued to professional and/or sophisticated investors who satisfy either one of the definitions contained in sections 708(8), 708(10) or 708(11) of the Corporations Act 2001. No shares are to be issued to any related party of the Company other than directors who have been given specific shareholder approval to participate in the placement by virtue of the passing of Resolution 3. The non-directorial participants are not yet known;
- (f) The Shares will rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (g) The funds raised through the Proposed Placement will be used to fund existing projects, investigate new opportunities and for general working capital.

## **2.3 Directors' Recommendation**

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

## **Resolution 3 – Approval for the Participation by Directors in Proposed Issue of Shares.**

### **3.1 Background**

ASX Listing Rule 10.11 provides that a listed company must not issue Equity Securities to a related party without the approval of ordinary shareholders.

If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The Directors wish to participate in the Proposed Issue of Shares as anticipated in Resolution 2 on the same basis as other issuees up to a maximum of 7,500,000 Shares. This participation must be approved by the Shareholders.

### **3.2 ASX Listing Rule Requirements**

In compliance with ASX Listing Rule 10.13, Shareholders are advised:

- (a) The Company will issue a collective maximum of 7,500,000 Shares to the Directors of the Company either simultaneously or progressively, in whole or in part (if at all) and will be completed by no later than one month after the date of the Meeting;
- (b) The shares will be issued at a price of \$0.008 per share;
- (c) The funds raised from the directors will form part of the pool of funds received from the issue of the Proposed Shares, the subject of Resolution 2, and will therefore be directed in accordance with the directors' intentions relating thereto, that is, used to fund existing projects, investigate new opportunities and for general working capital.

**Table 1**

Relevant Interests of all Directors assuming the passing of Resolution 1 and immediately prior to the Proposed Issue of Shares.

<b>Director</b>	<b>Number of Shares</b>	<b>Voting Power</b>
Neville Bassett and/or his nominee	850,000	0.66%
Graeme Clatworthy and/or his nominee	1,475,000	1.14%
George Sakalidis and/or his nominee	6,471,413	5.01%
<b>Total</b>	<b>8,796,413</b>	<b>6.81%</b>

**Table 2**

Relevant Interests of all Directors assuming the passing of Resolutions 1, 2 and 3, assuming that each director takes up an equal proportion of the maximum Shares approved to be issued to Directors and immediately following the Proposed Issue of Shares.

<b>Director</b>	<b>Number of Shares</b>	<b>Voting Power</b>
Neville Bassett and/or his nominee	3,350,000	1.89
Graeme Clatworthy and/or his nominee	3,975,000	2.24%
George Sakalidis and/or his nominee	8,971,413	5.06%
<b>Total</b>	<b>16,296,413</b>	<b>9.19%</b>

#### **Resolution 4 – Approval for Grant of Options to CPS Capital Group Pty Ltd and/or its nominee/s.**

##### **4.1 Background**

On 29 April 2015, the Company announced that:

- an agreement had been reached for the placement of 14 million new Shares at \$0.008 each to raise \$112,000;
- that it also intended to issue an additional 30 million Shares at \$0.008 to raise a further \$240,000 subject to shareholder approval;
- The funds raised through those placements would be used to fund existing projects, investigate new opportunities and for general working capital; and
- CPS Capital Pty Ltd would be handling the capital raising (the **Capital Raising**).

In consideration of the services provided and yet to be provided by the CPS Capital Pty Ltd as Lead Manager, the Company has agreed, upon the successful completion of the Capital Raising, to (among other things):

- pay a management fee of 1% and a brokerage fee of 5% of the total amount subscribed; and
- grant 9,000,000 Options to the CPS Capital Pty Ltd and/or its nominee/s (**Lead Manager Options**), subject to shareholder approval and to all of the Capital Raising being received.

All Lead Manager Options will be granted having an exercise price of 2.0 cents each, will have an expiry date of 30 June 2018 and will not be quoted on the ASX. The full terms and conditions of the Lead Manager Options are set out in Annexure "A" to the Explanatory Memorandum.

As the Company has already issued substantially all of the shares authorised to be issued under its 15% placement capacity, the issue of the Lead Manager Options requires Shareholder approval.

Should these "out-of-the-money" Lead Manager Options be exercised on or before their expiry date, the Company would receive additional funds of approximately \$180,000.

##### **4.2 General**

Resolution 4 seeks Shareholder approval for the grant of the Options to CPS Capital Group Pty Ltd, and/or its nominee/s, in part consideration for acting as Lead Manager of the Capital Raising.

CPS Capital Group Pty Ltd is not a related party of the Company.

##### **4.3 Listing Rules Notice Requirements**

###### **Listing Rule 7.1**

A listed company may not issue securities in any 12 month period which, when aggregated with the number of other securities issues within that 12 month period, exceed 15% of the number of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of members of the company in general meeting is obtained.

The grant of up to 9,000,000 Options as contemplated under Resolution 4 will exceed the 15% threshold set out in Listing Rule 7.1 and accordingly, the Company requires Shareholder approval for the purposes of this Listing Rule.

###### **Listing Rule 7.3**

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) the maximum number of securities to be granted by the Company under Resolution 4 is 9,000,000 Lead Manager Options;
- (b) the Lead Manager Options will be granted as soon as practicable after the Meeting, but in any event, no later than 3 months after the date of the Meeting and it is anticipated that they will be granted on one date rather than on a progressive basis;
- (c) the Lead Manager Options will be granted for nil consideration, have an exercise price of 2 cents each and an expiry date of 30 June 2018;



- (d) the Lead Manager Options will be granted to CPS Capital Pty Ltd and/or its nominee/s, none of whom are currently or are expected to be a related party of the Company;
- (e) the Lead Manager Options will be granted on the terms and conditions set out in Annexure "A"; and
- (f) no funds are to be raised from the grant of the Lead Manager Options.

The effect of Resolution 4 will be to allow the Company to issue the Lead Manager Options during the period of 3 months after this Meeting without using the Company's 15% placement capacity.

**5. Approval for Grant of Options to Directors (Resolutions 5, 6 and 7)**

**The Proposal**

It is proposed to grant a total of 8,000,000 Options (**Directors' Options**) to:

- Graeme Clatworthy (Managing Director) – 3,000,000;
- Neville Bassett (Non-executive Chairman) – 2,500,000; and
- George Sakalidis (Executive Technical Director) – 2,500,000;

free of charge and otherwise on the terms and conditions set out in Annexure "B" to this Explanatory Statement.

**Corporations Act 2001 Requirements**

Chapter 2E of the Corporations Act 2001 ("**the Act**") prohibits, subject to certain exceptions, a company from giving a financial benefit to a related party or the company without prior shareholder approval.

The Act (Section 219) requires the approval of shareholders be obtained in circumstances where certain information has first been provided to them.

Section 195 of the Act provides, in essence, that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered. As Messrs Clatworthy, Bassett and Sakalidis may be considered to have a material personal interest in the outcome of resolutions 5, 6 and 7, it was arguable whether a quorum could be formed to consider the matter at Board level other than under section 195(4) of the Act which permits directors to resolve (as they did in this instance) to put matters in which either one of them have a material personal interest to shareholders for consideration and resolution.

The Act prohibits a public company which is listed on ASX from giving a financial benefit to a related party of the public company unless the benefit falls within one of various exceptions to that general prohibition. Exceptions include where:

- the company first obtains the approval of shareholders in general meeting where the pre-conditions set out in the Act have been complied with in relation to the resolution; or
- the terms and conditions upon which the financial benefit is being given are not more favourable to the related party than those on which it is reasonable to expect that the company would give the benefit if dealing with the related party at arm's length in the same circumstances; or
- the financial benefit is paid or provided as remuneration to a person in a capacity as a director of the company and it is reasonable for a company in the company's circumstances to pay or provide that remuneration to a director in the person's circumstances.

A "related party" for the purposes of the Act is defined widely. It includes a director of the public company and specified members of the director's family. It also includes an entity over which a director maintains control.

A "financial benefit" for the purposes of the Act has a very wide meaning. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

**ASX Listing Rule Requirements**

ASX Listing Rule 10.11 requires, as a general rule, the issue of securities to a director to first be approved by shareholders in circumstances where certain information required by ASX Listing Rule 10.13 has been provided to shareholders; this Explanatory Statement provides that information. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

**Application of Corporations Act and ASX Listing Rules to Proposal**

The provisions of Chapter 2E and ASX Listing Rule 10.11 apply to the proposed grant of Options to Messrs Clatworthy, Bassett and Sakalidis (the parties to whom resolutions 5, 6 and 7 relate) as they are related parties (by virtue of section 228 of the Act) to whom the proposed resolutions would permit financial benefits to be given.

**ASX's Corporate Governance Guidelines**

The granting of options to directors falls within the guidelines recommended in Principle 8 of the ASX's Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition). The Company's Corporate Governance and Policies Manual includes a Remuneration Policy which states that:

*"The committee (Remuneration Committee) is to make decisions with respect to appropriate and competitive remuneration and incentive policies (including basis for paying and the quantum of any bonuses), for senior executives and others as considered appropriate to be singled out for special attention, which:*

- motivates them to contribute to the growth and success of the Company within an appropriate control framework; and*
- aligns the interests of key leadership with the interests of the Company's shareholders;*
- are paid within the limits imposed by the Constitution as to the aggregate amount payable and make recommendations to the Board with respect to the need for increases to any such amount at the Company's annual general meeting; and*
- in the case of directors, only permits participation in equity-based remuneration schemes after appropriate disclosure to, due consideration by and with the approval of the Company's shareholders."*

This resolution is being put for consideration by the shareholders in compliance with that Policy and on the basis of disclosures made in this document.

#### **Share Trading History**

The price of the Company's shares quoted on the ASX over the twelve month period ending 15 June 2015 has ranged from a low of \$0.008 on 25 May 2015 to a high of \$0.036 on 24 July 2014. The latest available closing price of the Company's shares quoted on the ASX, prior to the date of this Explanatory Statement on 26 June 2015 was \$0.008.

The exercise price for the Options will be 50% higher than (or 1.5 multiple of) the average of 5 days Volume Weighted Average Share Price ending on a date selected by the directors within one month after the General Meeting at which the approval to grant the Options was given.

#### **Valuation of equity based remuneration**

The Directors requested Scott Hill of Provisio Corporate, to provide, as an expert, a valuation of the Directors' Options proposed to be granted to the related parties for inclusion in this Explanatory Statement. That request was made and the resulting valuation is provided in compliance with ASIC's policy that options must, in the circumstances, be valued by an independent expert (in accordance with Australian Accounting Standards Board (AASB) accounting standard AASB 2 Share-based payment) and that value be disclosed to shareholders.

Accounting standard AASB 2 prescribes that if market prices are not available, the entity shall estimate the fair value of the equity instruments granted using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. The valuation technique shall be consistent with generally accepted valuation methodologies for pricing financial instruments, and shall incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price.

Accounting standard AASB 2 acknowledges the possibility that it may not be possible to estimate reliably the fair value of the equity instruments in accordance with the requirements of the standard. The directors endorse that acknowledgement and consider it directly relevant in the circumstances. They do not adopt the independent expert valuation as achievable as they believe the nominated amount manifestly exceeds the best sale price that could be achieved if the options were granted and sold today.

#### **Valuation**

Provisio Corporate has used a number of closed form and open form models to run various valuations and have benchmarked these valuations against the IFRS recommend Hull-White binomial algorithm (an open form model).

The models valued the Options as an option on a share with a strike price equal to 150% of the expected volume weighted trading price of ordinary shares in the Company. The modelling took into account that no call can be made on the Options, that the Options have a tenure of five years and that the Company is unlikely to declare any dividends during the currency of the Option. Provisio Corporate calculated the value using a range of implied volatility value of between 30% and 53%, an underlying share price of \$0.0085, a strike price for the Option of \$0.01275. Whilst they might normally have applied some discount factor to the resultant option valuation (based on the fact that the Options are unlisted and therefore not tradeable and that the Company will likely need to raise additional funds in an unknown and uncertain market to fully meet all of the expenditure commitments on its exploration licences and mineral tenements for the full tenure of the Option) in this case a discount was not applied as the prevailing share price likely reflects that the market has taken this into consideration.

**Based on the above methodology, Provisio Corporate valued the Options at between \$0.0017 and \$0.0035 each with a fair and reasonable valuation being \$0.0025 per Option.**

This ascribes a total valuation for all Directors' Options to be granted of \$20,000.

The Directors' Options will, at the date of approval, have a value determined by reference to the potential value that might be derived from any increase in the value of fully paid shares during the currency of the Directors' Options. It is this potential value uplift that is a key reason for the proposal that the Directors' Options be granted to the directors so as to motivate them to achieve that outcome which will likely benefit all shareholders.

**Dilution Effect and Costs of Issue**

The potential cost to the Company of the grant of 8,000,000 Directors' Options pursuant to resolutions 5, 6 and 7 is that there will be a dilution of the issued share capital if the Directors' Options are exercised. Based on 129,253,682 shares currently on issue, the exercise of the proposed Directors' Options would have a dilution effect of approximately 6.2% on non-associated shareholders' interests in the Company. The issue of the Directors' Options will not restrict the Company's ability to issue further securities as it sees fit and should it do so, that will further diminish the potential dilution impact of the Directors' Options.

The opportunity costs to the Company or benefits foregone by the Company in respect of the proposed issue of Directors' Options are:

- the price at which the Directors' Options might have been issued pursuant to an arm's length transaction for cash (or other value);
- if the Directors' Options are exercised at a time when the market price of the Company's shares is greater than the exercise price of the Directors' Options, there will be a detriment insofar as the Company will be required to issue shares at a price lower than it might otherwise have then been able to, with the result that less funds will be raised for the number of shares issued.

If the Directors' Options are exercised they will raise approximately \$96,000 (based on the closing share price on the trading day prior to the date of this notice).

**Capital Structure**

The change in capital structure of the Company as a result of the proposed grant of Directors' Options (but excluding the possible issue of securities anticipated by Resolutions 2 and 4) will be as follows:

**Before:**

Shares	Number	Description	
	129,253,682	Quoted fully paid ordinary shares	
	27,504,727	Unquoted partly-paid ordinary shares (\$0.20 unpaid)	
Options	Number	Exercise Price	Expiry Date
	230,000	\$0.2370	21.12.2015
	2,550,000	\$0.0915	27.12.2016
	5,000,000	\$0.0415	31.1.2017

**After:**

Shares	Number	Description	
	129,253,682	Quoted fully paid ordinary shares	
	27,504,727	Unquoted partly-paid ordinary shares (\$0.20 unpaid)	
Options	Number	Exercise Price	Expiry Date
	230,000	\$0.2370	21.12.2015
	2,550,000	\$0.0915	27.12.2016
	5,000,000	\$0.0415	31.1.2017
	8,000,000	Say \$0.12	Say 30.8.2020

**Directors' emoluments and equity interests**

The Directors' emoluments for the financial year ended 30 June 2015 were as follows:

	Cash fees and contractual payments	Statutory superannuation	Total cash and cash equivalent benefits	Non-cash equity-settled share based payments	Total
Graeme Clatworthy Managing Director	\$65,833	\$6,254	\$72,087	-	\$72,087
Neville Bassett Non-Executive Chairman	\$35,833	\$3,404	\$39,237	-	\$39,237
George Sakalidis Executive Technical Director	\$35,833	\$3,404	\$39,237	-	\$39,237

It is expected that all directors' emoluments (excluding the non-cash equity-settled share based payments) will continue to be paid at levels based on those applying at year end 30 June 2015, subject to review as provided for by the Companies Corporate Governance policies.

Based on their current holdings (which excludes any securities proposed to be granted pursuant to Resolutions 3, 5, 6 and 7 or other intervening movements in their holdings), the parties will, at the time of the grant of the proposed Directors' Options, have a relevant interest in the securities set out below:

Name	Fully Paid Ordinary Shares	Partly-paid Contributing Shares	Options to Acquire Fully Paid Ordinary Shares at \$0.0915 each having an expiry date of 27.12.2016	Options to Acquire Fully Paid Ordinary Shares at (say) \$0.12 each having an expiry date of (say) 30.8.2020
Graeme Clatworthy	1,475,000	-	-	3,000,000
Neville Bassett	850,000	550,000	-	2,500,000
George Sakalidis	6,471,413	2,688,462	750,000	2,500,000

**Rationale for the proposal – the opportunity benefit**

The grant of Directors' Options as proposed is thought by the board to be justified because:

- it will provide directors with an opportunity to participate in the Company's future growth thus incentivising and rewarding them for their future contribution to that growth;
- the directors will thereby have a vested interest in the affairs of the Company and in increasing the market value of its securities - thus they will have a common interest with all shareholders. If they benefit from the Directors' Options then all shareholders will benefit;
- the grant of Directors' Options has the benefit of conserving cash whilst motivating the directors;
- the real cost to the Company will be the cost at which the options could actually be granted on arm's length (not the theoretical valuation) terms; they will not result in dilution of shareholders' equity unless they are exercised;
- the exercise of the Directors' Options will provide working capital for the Company;
- if all the Directors' Options proposed to be granted pursuant to resolutions 5, 6 and 7 are exercised, and the exercise price happens to be \$0.12, an amount of approximately \$96,000 will be raised;
- the purpose is to provide the directors with an incentive and the success of the Company depends in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

**Other Information**

If approval is forthcoming, the Directors' Options will be granted to directors free of charge and within one month after the date of the meeting.

There is no other information known to the Directors or the Company that is reasonably required by shareholders to make a decision whether or not it is in the Company's interests to pass resolutions 5, 6 and 7 other than as set out throughout this Explanatory Statement (including the current entitlements of the directors to securities in the Company).

**Recommendation**

Messrs GJ Clatworthy, NJ Bassett and G Sakalidis, current directors of the Company, make no recommendation in respect of the grant of Directors' Options proposed by resolutions 5, 6 and 7 as they may each be regarded as having a material personal interest in the outcome.

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**GLOSSARY**

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>Associate</b>	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>ASX Listing Rules</b>	means the listing rules of ASX.
<b>Board</b>	means the board of Directors of the Company.
<b>Company</b>	means Meteoric Resources NL ABN 64 107 985 651.
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Equity Securities</b>	has the same meaning as in the ASX Listing Rules.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Lead Manager</b>	means CPS Capital Group Pty Ltd ABN 736 088 05 636.
<b>Meeting</b>	has the meaning in the introductory paragraph of the Notice.
<b>Notice or Notice of Meeting</b>	means the Notice of General Meeting accompanying this Explanatory Memorandum.
<b>Option</b>	means an option to acquire a Share in the Company.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a Share.
<b>Trading Day</b>	means a day determined by ASX to be a trading day in accordance with the Listing Rules.
<b>WST</b>	means Australian Western Standard Time.

**ANNEXURE "A"**  
**LEAD MANAGER OPTIONS**

**TERMS AND CONDITIONS OF THE OPTION TO ACQUIRE FULLY PAID ORDINARY SHARES IN METEORIC RESOURCES NL (the Company)**

Each Option entitles the holder to subscribe for and be issued with one fully paid ordinary share upon payment of an amount per Option of \$0.02 (the **Exercise Price**) and is otherwise granted upon and subject to the terms and conditions which follow:

- (i) the Option shall lapse at 5.00pm Western Standard Time on 30th June 2018 (the **Expiry Date**);
- (ii) the Option will remain unquoted on the ASX for the duration of its term;
- (iii) the Option shall be exercisable wholly or in part by notice in writing to the directors of the Company at any time until the Expiry Date together with payment of the Exercise Price per Option (in cleared funds);
- (iv) the Option will not be subject to any restrictions on transferability;
- (v) the Option will not entitle the holder (by reason of being the holder of the Option) to participate in new issues of capital which may be offered to shareholders during the currency of the Option;
- (vi) the Option confers on the right of the holder to exercise that Option prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Option, and will be granted a period of at least 9 business days before the date for determining entitlements to exercise that Option;
- (vii) the Company will issue a share within 5 business days of an Option being validly exercised;
- (viii) the share issued on the exercise of the Option will rank pari-passu with the then existing issued ordinary shares and the Company will apply for Official Quotation by ASX of the share within three business days after the date of issue;
- (ix) in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the Option will be reorganised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged;
- (x) in the event of a bonus issue to the holders of Shares, the Share over which the Option is exercisable shall be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue. The bonus issue must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the bonus issue and rank equally in all respects with other shares of that class at the date of issue of the bonus shares;
- (xi) other than as set out in (ix) above, the Option does not confer any of the rights set out in ASX Listing Rule 6.22.

**ANNEXURE "B"**

**DIRECTORS' OPTIONS**

**TERMS AND CONDITIONS OF THE OPTION TO ACQUIRE FULLY PAID ORDINARY SHARES IN  
METEORIC RESOURCES NL (the Company)**

Each Option entitles the holder to subscribe for and be issued with one fully paid ordinary share upon payment of an amount per Option of \$ [the amount which is 50% higher than (or 1.5 times) the average of 5 days Volume Weighted Average Share Price ending on a date selected by the directors within one month after the General Meeting at which the approval to issue the Options was given] (the **Exercise Price**) and is otherwise granted upon and subject to the terms and conditions which follow:

- (i) the Option shall lapse at 5.00pm Western Standard Time on the fifth anniversary of the date of grant;
- (ii) the Option shall be exercisable wholly or in part by notice in writing to the directors of the Company at any time until the expiry date together with payment of the Exercise Price per Option (in cleared funds);
- (iii) the Option will not be subject to any restrictions on transferability;
- (iv) the Option will not entitle the holder (by reason of being the holder of the Option) to participate in new issues of capital which may be offered to shareholders during the currency of the Option;
- (v) the Option confers on the right of the holder to exercise that Option prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Option, and will be granted a period of at least 9 business days before the date for determining entitlements to exercise that Option;
- (vi) the Company will issue a share within 5 business days of an Option being validly exercised;
- (vii) the share issued on the exercise of the Option will rank pari-passu with the then existing issued ordinary shares and the Company will apply for Official Quotation by ASX of the share within three business days after the date of issue;
- (viii) in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the Option will be reorganised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged;
- (ix) in the event of a bonus issue to the holders of Shares, the Share over which the Option is exercisable shall be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue. The bonus issue must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the bonus issue and rank equally in all respects with other shares of that class at the date of issue of the bonus shares;
- (x) other than as set out in (ix) above, the Option does not confer any of the rights set out in ASX Listing Rule 6.22

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# METEORIC RESOURCES NL

ACN: 107 985 651

**REGISTERED OFFICE:**

GROUND FLOOR  
22 DELHI STREET  
WEST PERTH WA 6005

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«EFT\_REFERENCE\_NUMBER»

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
PO BOX 535, APPLECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPLECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

MEI

Holder Number:

«HOLDER\_NUMB

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE PRX

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 9:30am WST on Thursday 13 August 2015 at Ground Floor, 10 Outram Street, West Perth WA 6005 and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies **in FAVOUR** of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTION**

1. Ratification of Issue of Shares

**For Against Abstain**

2. Approval for the Proposed Issue of Shares

3. Approval for the Participation by Directors in Proposed Issue of Shares

4. Approval to Grant Options to CPS Capital Group Pty Ltd and/or its nominee/s

5. Approval to Grant Options to GJ Clatworthy

6. Approval to Grant Options to NJ Bassett

7. Approval to Grant Options to G Sakalidis

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

**Proxies must be received by Security Transfer Registrars Pty Ltd no later than 9:30am WST on Tuesday 11 August 2015.**

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My/Our contact details in case of enquiries are:

Name:

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Number:

( 

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**1. NAME AND ADDRESS**

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

**2. APPOINTMENT OF A PROXY**

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

**3. DIRECTING YOUR PROXY HOW TO VOTE**

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

**4. APPOINTMENT OF A SECOND PROXY**

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

**5. SIGNING INSTRUCTIONS**

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

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

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

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

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

**6. LODGEMENT OF PROXY**

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Security Transfer Registrars Pty Ltd**

<b>Online</b>	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
<b>Postal Address</b>	PO BOX 535 Applecross WA 6953 AUSTRALIA
<b>Street Address</b>	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
<b>Telephone</b>	+61 8 9315 2333
<b>Facsimile</b>	+61 8 9315 2233
<b>Email</b>	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

