

# **Superior Resources Limited**

ABN 72 112 844 407

## **Notice of the 2017 Annual General Meeting of Shareholders**

**28 November, 2017 at 11:00 AM**

**To be held at:  
Christie Centre**

**320 Adelaide Street  
BRISBANE QLD 4000**

**The details contained in the Explanatory Notes accompanying this Notice of Annual General Meeting should be read together with and form part of this Notice of Annual General Meeting.**

## **Ordinary Business**

### **Financial Statements and Reports**

To receive and consider the Financial Statements for the year ended 30 June 2017 incorporating the Profit and Loss for the year, and the Balance Sheet as at that date, together with the Directors' Report and the Auditor's Report thereon.

### **RESOLUTIONS**

To consider and if thought fit, resolve:

#### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (Non-Binding resolution)**

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

*“That the Remuneration Report for the year ended 30 June 2017 covering directors and executives (as set out in the Directors' Report), as detailed in the Annual Report, is adopted.”*

The Company will in accordance with section 250R of the Corporations Act, disregard any votes cast on this Resolution by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, the Company need not disregard such 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
- if 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 2 – RE-ELECTION OF DIRECTOR - MR KENNETH JAMES HARVEY**

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

*“That Mr Kenneth James Harvey who retires by rotation in accordance with the Constitution of the Company but being eligible is offering himself for re-election, be and is hereby appointed for a further term of office.”*

#### **RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY**

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

*“That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes approval is given for the Company to issue equity securities up to 10.00% of the issued capital of the Company (calculated at the time of issue in accordance with the formula prescribed in Listing Rule 7.1A.2) over a 12 month period on the terms and conditions set out in the Explanatory Memorandum”.*

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the issue of the Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. 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.

#### **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT**

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

*“That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 86,884,342 Shares at an issue price of \$0.0055 per Share on the terms and conditions set out in the Explanatory Memorandum (**Placement**).”*

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the Placement and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. 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.

#### **RESOLUTION 5 – ISSUE OF SHARES TO DIRECTOR CARLOS FERNICOLA IN LIEU OF DIRECTOR FEES**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, members of the Company approve and authorise the Directors to issue up to 5,000,000 Shares to Director, Carlos Fericola in lieu of cash payment for director fees on the terms set out in the Explanatory Memorandum.”*

The Company will disregard any votes cast on Resolution 10 by Carlos Fericola and any associates of Carlos Fericola. However, the Company need not disregard a vote if:

- it is cast by Carlos Fericola 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 6 – ISSUE OF SHARES TO DIRECTOR PETER HWANG IN LIEU OF DIRECTOR FEES**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, members of the Company approve and authorise the Directors to issue up to 10,000,000 Shares to Director Peter Hwang in lieu of cash payment for director fees on the terms set out in the Explanatory Memorandum.”*

The Company will disregard any votes cast on Resolution 11 by Peter Hwang and any associates of Peter Hwang. However, the Company need not disregard a vote if:

- it is cast by Peter Hwang 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 7 – ISSUE OF SHARES TO DIRECTOR KEN HARVEY IN LIEU OF DIRECTOR FEES**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, members of the Company approve and authorise the Directors to issue up to 2,500,000 Shares to Director Ken Harvey in lieu of cash payment for director fees on the terms set out in the Explanatory Memorandum.”*

The Company will disregard any votes cast on Resolution 12 by Ken Harvey and any associates of Ken Harvey. However, the Company need not disregard a vote if:

- it is cast by Ken Harvey 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.

If after reading the Explanatory Statement, you are in any doubt as to how you wish to vote, or the effect of your vote for or against Resolutions 1 or 5 to 7, please seek advice from your accountant, solicitor or other professional adviser before voting.

#### **DIRECTORS' RECOMMENDATIONS ON RESOLUTIONS**

**Your Directors recommend that you vote:**

- **FOR Resolutions 1 to 7**

Further information is set out in the Explanatory Statement accompanying this Notice.

By Order of the Board of Directors,

**Carlos Fernicola**  
**Company Secretary**

Dated 24 October 2017

# Voting and Proxies

## 1. Voting

Superior Resources Limited (**Superior**) has determined in accordance with Regulation 7.11.37 of the Corporations Regulations that for the purposes of voting at the meeting securities will be taken to be held by those persons recorded on the Company's share register as at 11:00am (Brisbane time) on 24 November 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

If you have any queries on how to cast your votes then call Mr Peter Hwang on 07 3847 2887 or Mr Carlos Fernicola on 07 3831 3922 during business hours.

## 2. Proxies

(a) Any member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote in his or her stead.

(b) If a shareholder appoints more than one proxy, the appointment of the proxy may specify the proportion or number of that shareholder's votes that each proxy may exercise. If the appointment does not specify the proportion or the number of the shareholder's votes, each proxy may exercise one half of the votes.

(c) Where a shareholder appoints more than one proxy neither proxy is entitled to vote on a show of hands.

(d) A proxy need not be a shareholder of Superior.

(e) To be effective, Superior must receive the completed Proxy Form and, if the form is signed by the shareholder's attorney, the authority under which the Proxy Form is signed (or a certified copy of the authority) by no later than 48 hours before the commencement of the meeting. Proxy Forms and other documentation may be lodged as follows:

By posting, delivery or  
facsimile: Superior Resources Limited Share Registry  
C/- Link Market Services Limited  
Locked Bag A14 Sydney South NSW 1235  
Facsimile: (02) 9287 0309

By delivery: Level 12, 680 George Street Sydney NSW 2000

(f) Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised officer or attorney.

(g) If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting as he or she thinks fit.

(h) If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that shareholder for that item.

### How the Chairman of the meeting will vote undirected proxies

Mr Carlos Fernicola, the Chairman of the Company, will chair the Meeting.

If you appoint the Chairman of the Meeting as your proxy or the Chairman is appointed as your proxy by default, and you do not specify how the Chairman is to vote on any Resolution, the Chairman as your proxy will vote:

**FOR** Resolutions 1 to 4

NOTE: APPOINTMENT OF PROXY FORM IS ENCLOSED

## **Explanatory Notes to the Notice of Annual General Meeting 2017**

### **Resolution 1- REMUNERATION REPORT**

The Remuneration Report for the year ended 30 June 2017 is set out in the Directors' Report, which is a part of the 2017 Annual Financial Report. The 2017 Annual Financial Report is available on Superior Resources Limited website: [www.superiorresources.com.au](http://www.superiorresources.com.au).

The purpose of Resolution 1 is to lay before the Shareholders the Company's Remuneration Report so that Shareholders may ask questions about or make comments on the management of the Company in accordance with the requirements of the Corporations Act and vote on whether to adopt the Remuneration Report for the year ended 30 June 2017.

In accordance with section 250R(2) of the Corporations Act the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report, contained within the Annual Report, be adopted.

Prior to voting on this Resolution there will be a reasonable opportunity for Shareholders to ask questions and comment about the Remuneration Report for the year ended 30 June 2017.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

From 1 July 2011 the legislation has been amended in relation to voting on the Remuneration Report under section 250R(2) of the Corporations Act. Under sections 250 U and 250V of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration report at two consecutive AGMs, shareholders will be required to vote at the second AGM on a resolution (a "**Spill Resolution**") that another general meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

Shareholders are encouraged to cast their votes on Resolution 1 (Remuneration Report).

In accordance with section 250R of the Corporations Act, a vote on this resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- the person is acting as proxy and 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
- the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

### **BOARD'S RECOMMENDATION ON RESOLUTION 1**

The Board strongly recommends that Shareholders vote in favour of Resolution 1.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

## **Resolution 2 - RE- ELECTION OF DIRECTOR Mr KENNETH JAMES HARVEY**

Mr Harvey has been a director of the Company since incorporation. He retires by rotation in accordance with the Constitution of the Company, but being eligible, offers himself for re-election. Details of Mr. Harvey's experience and qualifications are set out in the section "Information on Directors" within the Annual Report.

The Information on Directors section is contained within the Directors' Report in the 2017 Annual Report which is available on Superior Resources Limited website: [www.superiorresources.com.au](http://www.superiorresources.com.au).

### **BOARD'S RECOMMENDATION ON RESOLUTION 2**

The Board recommends that Shareholders vote in favour of Resolution 2.

Each of Directors of the Company, each also a Shareholder of the Company, are not restricted from voting, and each intends to vote in favour of Resolution 2.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

## **Resolution 3 - APPROVAL OF ADDITIONAL CAPACITY TO ISSUE SHARES UNDER LISTING RULE 7.1A**

### **(a) PURPOSE OF RESOLUTION**

The purpose of Resolution 3 is to authorise the Directors to issue a further 10% of its issued share capital under ASX Listing Rule 7.1A during the 10% Placement Period in addition to and without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

This effectively gives Directors a 25% placement capacity less that part of its placement capacity not available under ASX Listing Rule 7.1.

### **(b) GENERAL INFORMATION**

ASX Listing Rule 7.1A enables "eligible entities" to issue Equity Securities totalling up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An "eligible entity" for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c)(iii) below).

As disclosed in the Company's Annual Report, the Company continues to fund exploration expenditure and to actively seek new project acquisition opportunities and other investments. The Company intends to use the 10% Placement Facility to fund exploration expenditure and in acquiring new resource assets or investments.

### **(c) DESCRIPTION OF LISTING RULE 7.1A**

#### **(i) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

#### **(ii) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely ordinary Shares.

**(iii) Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

“A” is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval; and

(D) less the number of fully paid shares cancelled in the 12 months.

Note that “A” has the same meaning in ASX Listing Rule 7.1 for the purpose of calculating an entity's 15% placement capacity.

“D” is 10%.

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

**(iv) Capacity to issue under Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue 238,661,372 Shares and therefore has a capacity to issue:

(A) 35,799,205 Equity Securities under ASX Listing Rule 7.1; and

(B) 23,866,137 Equity Securities under Listing Rule 7.1A, subject to Shareholder approval being sought under Resolution 3.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities, or the agreement date, in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section (c)(iii) above).

**(v) Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

(A) the date on which the price at which the Equity Securities are to be issued is agreed; or

(B) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the Equity Securities are issued.

**(vi) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

(A) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

(B) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking); or

(C) such longer period that is allowed by the ASX (**10% Placement Period**).

**(d) SPECIFIC INFORMATION REQUIRED BY LISTING RULE 7.3A**

(i) Additional disclosure obligations are imposed when a special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

<p>Minimum price at which the equity securities may be issued</p>	<p>The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> <li>a) the date on which the price at which the securities are to be issued is agreed; or</li> <li>b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.</li> </ul>
<p>Risk of economic and voting dilution (Listing Rule 7.3A.2)</p>	<p>An issue of Shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks also include:</p> <ul style="list-style-type: none"> <li>a) The market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and</li> <li>b) the Shares may be issued at a price that is at a discount to the market price for the Shares on the issue date.</li> </ul> <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions, is set out below.</p>
<p>Date by which the Company may issue the securities</p>	<p>The period commencing on the date of the annual general meeting (to which this Notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> <li>a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and</li> <li>b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2</li> </ul> <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
<p>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</p>	<p>It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the direct costs of exploration for the discovery of minerals.</p> <p>The funds may also be applied to:</p> <ol style="list-style-type: none"> <li>1. regulatory and reimbursement approvals;</li> <li>2. maintenance of intellectual property and exploration tenements including mining leases;</li> <li>3. research and development; and</li> <li>4. staff and office costs, audit and compliance expenses, and ASX fees.</li> </ol> <p>The Company reserves the right to issue shares for non-cash</p>

	consideration, including for payment of service or consultancy fees and costs.
Details of the Company's allocation policy for issues under approval	The Company does not currently know the nature of any capital raising which may be conducted under listing Rule 7.1A and so is not able to define a general allocation policy that will apply to all future issues. However, based on past practice, the Company has sought to utilise its additional placement capacity to issue securities to existing shareholders (to reward loyalty) and to new investors that are strategically aligned with the Company's corporate or operational objectives. Going forward, the Company will consider the most timely and cost effective sources of capital to achieve its commercial objectives, as well as prioritising issues to persons or entities that in the opinions of the Directors, present particular corporate, operational or strategic qualities that will assist the Company in achieving its objectives.
Previous approval under Listing Rule 7.1A (Listing Rule 7.3A.6)	<p>The company obtained approval under Listing Rule 7.1A at the 2016 AGM.</p> <p>The total number of equity securities issued in the 12 months preceding the date of the 2017 AGM is as follows:</p> <p>(a) 83,600,000 Shares issued on 20 December 2016 SPP; and</p> <p>(b) 5,800,000 Shares issued on 20 December 2016 under LR 7.1</p> <p>(c.) 8,000,000 shares issued 16 December 2016</p> <p>(d) 37,375,000 options issued on 16 December 2016</p> <p>(e) 86,884,342 shares issued on 11 May 2017</p> <p>Together, these issues represent 66% of the total number of equity securities on issue at the commencement of that 12 month period.</p>
Details of all issues of equity securities by the Company during the 12 months preceding the date of the meeting	Refer Schedule 1.

**(ii) Information required under Listing Rule 7.3A.2**

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

- (A) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require shareholder approval (for example, pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (B) two examples where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' In Listing Rule 7.1A.2		Dilution		
		\$0.003 50.00% decrease in Issue Price	\$0.006 Issue Price	\$0.012 100.00% increase in Issue Price
Current Variable A  (463,421,804 shares)	10% Voting Dilution	46,342,180 shares	46,342,180 shares	46,342,180 shares
	Funds raised	\$139,027	\$278,503	\$556,106
50 % increase in current Variable A  (695,132,706 shares)	10% Voting Dilution	69,513,271 shares	69,513,271 shares	69,513,271 shares
	Funds raised	\$208,540	\$417,080	\$834,159
100% increase in current Variable A  (926,843,608 shares)	10% Voting Dilution	92,684,361 shares	92,684,361 shares	92,684,361 shares
	Funds raised	\$278,053	\$556,106	\$1,112,212

The table above has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- 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 Facility, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- There are no options issued and therefore no options are exercised before the date of issue of the Equity Securities.
- Resolution 3 is approved.
- The issue price is \$0.006 being the closing price on the ASX on 16 October 2017.

(iii) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

(iv) The Company may seek to issue the Equity Securities for the following purposes:

- (A) non-cash consideration for the acquisition of the new resources assets and other investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (B) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or other investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:

- (A) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (B) the effect of the issue of the Equity Securities on the control of the Company;
- (C) the financial situation and solvency of the Company; and
- (D) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

If the Company is successful in acquiring new resources assets or investments, it may be that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

(v) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

### **BOARD'S RECOMMENDATION ON RESOLUTION 3**

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

### **Resolution 4 – RATIFICATION OF PRIOR ISSUE OF SHARES - PLACEMENT**

On 16 May 2017 the Company undertook a capital raising to raise \$477,863 at an issue price of \$0.0055 cents per share.

Resolution 4 seeks Shareholder approval by way of ratification in relation to the issue of 86,884,342 Shares issued under the placement.

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the value 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.

ASX Listing Rule 7.1 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities pursuant to Listing Rule 7.1 those securities will be deemed to have been made with shareholder approval for the purposes of Listing Rule 7.1.

By ratifying this issue the company will retain flexibility to issue securities in the future up to 15.00% annual placement capacity set out in Rule 7.1 without the requirement to obtain Shareholder approval.

### **Technical information required by Listing Rule 7.4**

In accordance with Listing Rule 7.5 the following information is provided to Shareholders:

- the total number of securities issued was 86,884,342 Shares;
- the Shares were issued to various sophisticated and professional investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act.
- the Shares are fully paid ordinary shares in the company and rank equally with the Company's current issued Shares
- the Shares will be issued in the same class as existing Ordinary shares and with the same terms;
- the funds raised from the issue have been and will be applied for working capital.
- a voting exclusion statement is included in the Notice.

## **BOARD'S RECOMMENDATION ON RESOLUTION 4**

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

## **Resolutions 5, 6 and 7 – ISSUE OF SHARES TO DIRECTORS IN LIEU OF CASH PAYMENT FOR DIRECTORS FEES**

Listing Rule 10.11 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party.

The Company wishes to issue Shares to Directors Peter Hwang, Carlos Fernicola and Ken Harvey in lieu of cash payment for Directors' fees. The proposed issue must be approved by the Shareholders in accordance with Listing Rule 10.11.

The fees which the Company seeks to convert into Shares are set out in the table below:

Director	Director Fees
Peter Hwang	\$60,000
Carlos Fernicola	\$30,000
Ken Harvey	\$15,000

In compliance with Listing Rule 10.13, Shareholders are advised:

- the Company proposes to issue Shares to Directors Peter Hwang, Carlos Fernicola and Ken Harvey;
- the maximum number of securities to be issued is 17,500,000;
- Shares will be issued no later than 1 month after the date of the meeting;
- the issue price of the shares will be a 30 day VWAP (prior to the date of issue) +5.00% premium;
- the Shares issued will rank equally with the existing Shares on issue;
- No funds will be raised from the issue. The purpose of the issue is to reduce current liabilities of the Company by satisfying unpaid Directors' fees whilst also preserving the Company's cash;
- a voting exclusion statement is included in the Notice.

Table 1 and 2 below sets out the direct and indirect relevant interests of each participating Director prior to and following the issue of the Shares the subject of Resolutions 5 to 7.

As the Shares will be issued at the premium to the 30 day VWAP of Shares, the Directors consider the financial benefit received through the issue of Shares to be reasonable remuneration so that Shareholder approval is not required under Chapter 2E of the Corporations Act.

**Table 1**

Relevant Interests of participating Directors immediately prior to the Issue Shares and options assuming the passing of Resolution 5, 6 and 7.

Director	Number of Shares	Number of Options	Total Shares And options	Voting Power Shares excluding options	Voting Power shares and options
Peter Hwang	16,657,974	4,250,000	20,907,974	3.59%	4.51%
Carlos Fericola	23,500,000	3,750,000	27,250,000	5.07%	5.66%
Ken Harvey	22,454,432			4.85%	4.85%

**Table 2**

Relevant Interests of participating Directors immediately following the Issue of Shares and assuming the passing of Resolutions 5, 6 and 7 and assuming the issue of the maximum number of Placement Shares.

Director	Number of Shares	Number of Options	Total Shares And options	Voting Power Shares excluding options	Voting Power shares and options
Peter Hwang	26,657,974	4,250,000	30,907,974	5.54%	6.43%
Carlos Fericola	28,500,000	3,750,000	32,250,000	5.93%	6.71%
Ken Harvey	24,954,432		24,454,432	5.19%	5.19%

#### **BOARD'S RECOMMENDATION ON RESOLUTIONS 5, 6 and 7.**

The Directors of the Company (other than Peter Hwang who has an interest in Resolution 6) recommend that Shareholders vote in favour of Resolution 5 and 7.

The Directors of the Company (other than Carlos Fericola who has an interest in Resolution 5) recommend that Shareholders vote in favour of Resolutions 6 and 7.

The Directors of the Company (other than Ken Harvey who has an interest in Resolution 7) recommend that Shareholders vote in favour of Resolutions 5 and 6.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 5, 6 and 7.

**SCHEDULE 1 INFORMATION REQUIRED BY LISTING RULE 7.3A.6(b)**

ISSUE DATE	NUMBER ISSUED	CLASS AND SUMMARY	GRANTEE OR BASIS ON WHICH GRANTEE WAS DETERMINED	ISSUE PRICE AND DISCOUNT TO MARKET	TOTAL CASH CONSIDERATION USE/INTENDED USE OF CAPITAL	ISSUE FOR NON CASH CONSIDERATION
16/12/2016	8,000,000	SHARES	ISSUED TO DIRECTORS IN PLACEMENT ACCORDANCE WITH SHAREHOLDERS APPROVAL AT AGM 17 NOVEMBER 2016	\$0.008	\$64,000.00  DRILLING OF RIESLING PROSPECT AND WORKING CAPITAL	N/A
	37,375,000	OPTIONS ISSUED PTICE 3.0 CENTS EXERCISED 30 JUNE 2019	ISSUED TO SOPHISTICATED INVESTORS AND DIRECTORS IN PLACEMENT ACCORDANCE WITH SHAREHOLDERS APPROVAL AT AGM 17 NOVEMBER 2016	NIL	AS ABOVE	N/A
20/12/2016	89,400.00	SHARES	SHARE PURCHASE PLAN AND ISSUE TO SOPHISTICATED INVESTORS	\$0.005	\$418,000  DRILLING OF RIESLING PROSPECT AND WORKING CAPITAL  23.% DISCOUNT	N/A
11/5/2017	86,884,342	SHARES	ISSUED TO SOPHISTICATED INVESTORS	\$0.0055	\$477,863  DRILLING AND EXPLORATION STEAM ENGINE GALAH DAM	N/A

## SCHEDULE 2 TERMS OF UNLISTED OPTIONS

The Options will be issued for no consideration.

Each Option entitles the holder to one Share.

The exercise price of the Options is 3 cents each.

The expiry date of the Options is 30 June 2019.

The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.

The Options will not be quoted and are not transferable except without the prior consent of the Board.

The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Options.

There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue 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 such issues.

If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company ("**Bonus Issue**"), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

## GLOSSARY

**10% Placement Facility** has the meaning prescribed to that term in paragraph (b) of Resolution 3 (page 6 of the Notice).

**10% Placement Period** has the meaning prescribed to that term in paragraph (c)(vi) of Resolution 3 (page 7 of the Notice).

**\$** means the lawful currency of the Commonwealth of Australia.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited.

**AGM** means the annual general meeting of the Company, the subject of the Notice.

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

**Board** means the Company's Board of Directors.

**Brisbane time** means Brisbane local time.

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

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the Corporations Regulations.

**Company** means Superior Resources Limited.

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

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

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share.

**Ordinary share and share** means a fully paid ordinary share in the capital of the Company.

**Remuneration Report** means the remuneration report which forms part of the Directors' Report on Superior Resources Limited for the financial year ended 30 June 2017 and which is set out in the 2017 Annual Report.

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

**Shareholders** means those persons recorded on the Company's share register as at 11:00am (Brisbane time) on 25 November 2017.

**Voting Power** has the meaning ascribed to that term in the Corporations Act.

**VWAP** means Volume Weighted Average Price of the Company's ordinary shares as quoted on the ASX.