



Pure Minerals Limited

PURE MINERALS LIMITED

ACN 125 368 658

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: 1 May 2019

Time of Meeting: 10.00am AEST

Place of Meeting: Suite 1, Level 6, 350 Collins Street, Melbourne, Victoria 3000

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss any matter in this Notice or Explanatory Memorandum please contact the Company Secretary on +61 8 6559 1792.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Pure Minerals Limited (ACN 125 368 658) (**the Company**) will be held at Suite 1, Level 6, 350 Collins Street, Melbourne, Victoria, 3000 Suite on Wednesday, 1 May 2019 commencing at 10.00am (AEST).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 7.00pm (AEST) on 29 April 2019.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Share Issue – Consideration Shares

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of up to 33,300,000 Consideration Shares to the Vendors on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by a person (and any associates of such a person) who is expected to participate in the issue of the Shares and who will obtain a material benefit as a result of the proposed issue (and any Associates of such a person), except a benefit solely by reason of being a holder of ordinary Shares in the Company, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of Share Issue – Deferred Consideration Shares

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of up to 366,620,000 Deferred Consideration Shares to the Vendors on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by a person (and any associates of such a person) who is expected to participate in the issue of the Shares and who will obtain a material benefit as a result of the proposed issue (and any Associates of such a person), except a benefit solely by reason of being a holder of ordinary Shares in the Company, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Issue of Options to Corporate Adviser

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of up to 15,000,000 Options to Xcel Capital Pty Ltd and/or its nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by a person (and any associates of such a person) who is expected to participate in the issue of the Shares and who will obtain a material benefit as a result of the proposed issue (and any Associates of such a person), except a benefit solely by reason of being a holder of ordinary Shares in the Company, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Issue of Options to Marketing Adviser/Consultant

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

“That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve the issue of up to 10,000,000 Options to marketing consultants on the following basis

- (a) 2,000,000 Options to be issued to Aedion Holdings Pty Ltd as trustee for the Monarch Trust and/or its nominees; and*
- (b) 8,000,000 Options to be issued to John Khoo trading as JK Consulting and/or his nominees,*

on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by a person (and any associates of such a person) who is expected to participate in the issue of the Shares and who will obtain a material benefit as a result of the proposed issue (and any Associates of such a person), except a benefit solely by reason of being a holder of ordinary Shares in the Company, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or*
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.*

5. Resolution 5 – Issue of Options to Directors

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

“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue a total of 15,000,000 Options to the Directors on the following basis:

- (a) 2,000,000 Options to be issued to Cameron McLean and/or his nominees;*
- (b) 10,000,000 Options to be issued to Ariel Edward King and/or his nominees; and*
- (c) 3,000,000 Options to be issued to Lincoln Ho and/or his nominees,*

on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast in favour on this Resolution by a person (and any associates of such a person) who is expected to participate in the issue of the Shares and who will obtain a material benefit as a result of the proposed issue (and any Associates of such a person), except a benefit solely by reason of being a holder of ordinary Shares in the Company, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction of the Proxy Form to vote as the proxy decides.

Voting Prohibition

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:

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

Dated: 28 March 2019

BY ORDER OF THE BOARD



Mauro Piccini
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Suite 1, Level 6, 350 Collins Street, Melbourne, Victoria 3000 on Wednesday, 1 May 2019 commencing at 10.00am (AEST).

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

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

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

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a proxy) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

- If proxy holders vote, they must cast all directed proxies as they are directed to; and
- Any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to Chair in certain circumstances

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

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

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

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 – Approval of Share Issue – Consideration Shares

3.1 General – Acquisition of QPM

Further to the Company's announcements of 15 October 2018 and 25 February 2019, Resolution 1 seeks Shareholder approval for the issue of up to 33,300,000 Shares to the Vendors of the issued capital of Queensland Pacific Metals Pty Ltd (ACN 622 782 567) (**QPM**) pursuant to a conditional exclusive binding term sheet executed by the Company on 12 October 2018 (and varied and restated on 24 February 2019) (**Term Sheet**).

The Term Sheet gives the Company the option to acquire up to 100% of the issued capital of QPM from the shareholders of QPM (**Vendors**) in consideration for a specific number of consideration shares and cash (**Acquisition**).

QPM is an emerging battery metals company focussed on the production of nickel sulphate and cobalt sulphate for the global battery industry.

QPM is a private Australian company seeking to develop a modern processing plant in Townsville, Queensland.

QPM has secured a binding ore supply agreement to purchase nickel-cobalt ore from two established, producing New Caledonian mining companies. QPM also holds the nickel-cobalt tenements comprising the Eden Garry exploration project, in the Marlborough region of Queensland.

Further details of QPM and its projects are set out in the Company's announcement of 15 October 2018.

The Company announced it had exercised the option to acquire QPM on 24 February 2019.

The consideration payable to the Vendors for the Acquisition is comprised of:

- (a) 33,300,000 fully paid ordinary shares in the Company to be issued to the Vendors at Settlement of the Acquisition (**Consideration Shares**);
- (b) \$500,000 cash to be paid at Settlement to the Vendors; and
- (c) 366,620,000 fully paid ordinary shares in the Company to be issued to the Vendors on a deferred basis after Settlement subject to the satisfaction of the specific performance milestones (**Deferred Consideration Shares**) (see the Explanatory Memorandum with respect to Resolution 2 for more information in this regard),

together, the **Consideration**.

The Consideration Shares and the Deferred Consideration Shares will be issued to the Vendors on a pro-rata basis in proportion to their shareholding in QPM as set out in Schedule 2.

3.2 Listing Rule 10.11 and section 208 of the Corporations Act

Other than John Charles Downie, none of the parties to whom Consideration Shares or Deferred Consideration Shares are to be issued to related parties or Associates of a related party of the Company.

Mr Downie will, (in accordance with the Term Sheet) be appointed a director of the Company at settlement of the Acquisition and will therefore become a related party of the Company. However, Mr Downie will only be a related party of the Company by reason of the terms of the Acquisition and the issue of the Consideration Shares and Deferred Consideration Shares and the application of section 228(6) of the Corporations Act. Accordingly, as a result of Listing Rule 10.12 exception 6, the Company is not required to obtain approval pursuant to Listing 10.11 for the issue of the Consideration Shares to Mr Downie.

Section 228(6) of the Corporations Act states that a person is a related party of a company if the company believes, or has reasonable grounds to believe that the person is likely to become a related party.

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

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

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

The issue of the Consideration Shares and Deferred Consideration Shares to Mr Downie constitutes giving a financial benefit and Mr Downie is a related party of the Company as described above.

The current Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Consideration Shares and Deferred Consideration Shares to Mr Downie as those Shares will be issued to Mr Downie on the same terms as Shares issued to the other Vendors based on their respective proportion of shareholding in QPM and as such, the giving of the financial benefit is on arm's length terms (section 210 Corporations Act).

3.3 Listing Rule 7.1

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

The effect of Resolution 1 will be to allow the Directors to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 1 is an ordinary resolution.

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

3.4 Specific Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the Consideration Shares as follows:

- (a) The maximum number of Consideration Shares to be issued is 33,300,000.
- (b) The Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that they will be issued on one date.
- (c) The Consideration Shares are to be issued to the Vendors, in the proportions set out in Schedule 2 to this Notice. Other than as set out in section 3.2 above, none of the parties to whom Consideration Shares will be issued are related parties or Associates of related parties of the Company.
- (d) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares.

- (e) A voting exclusion statement is included in the Notice.
- (f) Assuming no Options are exercised or other Shares issued besides the Consideration Shares and Deferred Consideration Shares, the number of Shares on issue would increase from 31,379,059 (being the number of Shares on issue as at the date of this Notice) to 714,299,059 and the shareholding of existing Shareholders would be diluted by 56%

4. Resolution 2 – Approval of Share Issue – Deferred Consideration Shares

4.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 366,620,000 Deferred Consideration Shares to the Vendors pursuant to the Term Sheet.

The Term Sheet provides that the Deferred Consideration Shares be issued upon the following milestones being achieved before the specified expiry date as set out in the following table (**Performance Milestones**). Subject to satisfaction of the Performance Milestones, the Deferred Consideration Shares will be issued as fully paid ordinary Shares, as deferred consideration for the Company's acquisition of QPM.

Group	Performance Milestone	Expiry Date	Number of Shares to be issued
A	Achievement of at least 5Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project OR Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A\$50M per annum which is verified in writing by PM1's independently engaged expert	9 months from date of Settlement of the Term Sheet	116,630,000
B	Achievement of at least 10Mt JORC inferred resource at 1% Ni equivalent defined at the Eden Garry Project OR Completion of positive definitive bankable feasibility study which demonstrates an IRR >20% and EBITDA of no less than A\$50M per annum	24 months from date of Settlement of the Term Sheet	83,330,000
C	First commercial mining of ore obtained at the Eden Garry Project OR PM1 obtaining all regulatory approvals	36 months from date of Settlement of the Term Sheet	83,330,000

Group	Performance Milestone	Expiry Date	Number of Shares to be issued
	required to construct a nickel-cobalt processing plant		
D	Final investment decision by the PM1 Board to construct a nickel-cobalt processing plant	42 months from date of Settlement of the Term Sheet	83,330,000
	Total		366,620,000

The Deferred Consideration Shares are to be issued to the Vendors in the proportions as set out in Schedule 2 to this Notice.

Other than John Charles Downie, none of the parties to whom Consideration Shares or Deferred Consideration Shares are related parties or Associates of a related party of the Company. Refer to the discussion of related parties at 3.2 above for further information in this regard.

The Directors of the Company believe that Resolution 2 is in the best interest of the Company and its Shareholders and unanimously recommend that the Shareholders vote in favour of this Resolution.

4.2 Listing Rule 7.1

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

The effect of Resolution 2 will be to allow the Directors to issue the Deferred Consideration Shares without using the Company's 15% annual placement capacity.

ASX has granted the Company a waiver of Listing Rule 7.3.2 (**Waiver**). Refer to section 4.4 below for details of the Waiver.

Resolution 2 is an ordinary resolution.

4.3 Specific Information Required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, information is provided in relation to the issue of Deferred Consideration Shares as follows:

- (a) The maximum number of Deferred Consideration Shares to be issued is 366,620,000.
- (b) In accordance with the Waiver, the Deferred Consideration Shares will be issued progressively in accordance with the following timetable:
 - (i) 116,630,000 fully paid ordinary shares issued to the Vendors upon satisfaction of Performance Milestone A, no later than 11 months from the date of the General Meeting.

- (ii) 83,330,000 fully paid ordinary shares issued to the Vendors upon satisfaction of Performance Milestone B, no later than 26 months from the date of the General Meeting.
- (iii) 83,330,000 fully paid ordinary shares issued to the Vendors upon satisfaction of Performance Milestone C, no later than 38 months from the date of the General Meeting.
- (iv) 83,330,000 fully paid ordinary shares issued to the Vendors upon satisfaction of Performance Milestone D, no later than 44 months from the date of the General Meeting.
- (c) The Deferred Consideration Shares are to be issued to the Vendors in the proportions as set out in Schedule 2 to this Notice. Other than John Charles Downie, none of the Vendors to whom Consideration Shares will be issued are related parties or Associates of related parties of the Company.
- (d) The Deferred Consideration Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares.
- (e) A voting exclusion statement is included in the Notice
- (f) Assuming no Options are exercised or other Shares issued besides the Consideration Shares and Deferred Consideration Shares, the number of Shares on issue would increase from 314,379,059 (being the number of Shares on issue as at the date of this Notice) to 714,299,059 and the shareholding of existing Shareholders would be diluted by 56%.

4.4 ASX Waiver

On 13 February 2019, ASX granted the Company a waiver in respect of Listing Rule 7.3.2 to permit the Deferred Consideration Shares to be issued on dates later than 3 months after the Meeting.

The terms and conditions of the Waiver are set out below.

Based solely on the information provided by the Company, ASX granted the Company a waiver from Listing Rule 7.3.2 to the extent necessary to permit the Company to issue the Deferred Consideration Shares on the following conditions:

- (a) The Company issues 116,630,000 fully paid ordinary shares to the Vendors upon satisfaction of Performance Milestone A, no later than 11 months from the date of the General Meeting.
- (b) The Company issues 83,330,000 fully paid ordinary shares to the Vendors upon satisfaction of Performance Milestone B, no later than 26 months from the date of the General Meeting.
- (c) The Company issues 83,330,000 fully paid ordinary shares to the Vendors upon satisfaction of Performance Milestone C, no later than 38 months from the date of the General Meeting.
- (d) The Company issues 83,330,000 fully paid ordinary shares to the Vendors upon satisfaction of Performance Milestone D, no later than 44 months from the date of the General Meeting.

- (e) For any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out in detail the number of Deferred Consideration Shares issued during the reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued.
- (f) In any half year or quarterly report for a period during which any of the Deferred Consideration Shares have been issued or remain to be issued, the Company must include a summary statement of the number of Deferred Consideration Shares issued during the reporting period, and the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration shares may be issued.
- (g) The Notice of Meeting must contain the full terms and conditions on which the Deferred Consideration Shares are proposed to be issued – please refer to Schedule 3 to this Notice for the terms and conditions of the Deferred Consideration Shares.
- (h) The Performance Milestones which must be satisfied for the Deferred Consideration Shares to be issued are not to be varied.

5. Resolutions 3 and 4 – Issue of Options to Corporate Advisers and Consultants

5.1 General

As outlined in Section 3.1 of this Explanatory Memorandum, the Company has agreed to acquire all of the issued capital of QPM pursuant to the Term Sheet.

To assist with the Acquisition pursuant to the Term Sheet, the Company has retained the services of Xcel Capital Pty Ltd (**Xcel Capital**) as corporate adviser and Aedion Holdings Pty Ltd and JK Consulting (Marketing Advisers) in respect of corporate advisory services and consulting services in connection with the Acquisition.

The Company intends to issue 25,000,000 unlisted options exercisable at \$0.03 each on or before the date which is 3 years from their date of issue (**Options**).

The Company intends to issue 15,000,000 Options to Xcel Capital in consideration for their corporate advisory services and advice in relation to the Acquisition in respect of Xcel Capital's services in facilitating the Acquisition.

The Company intends to issue 2,000,000 Options to Aedion Holdings Pty Ltd and 8,000,000 Options to JK Consulting in consideration for their marketing and public relations services and advice in relation to the Acquisition.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Given the Options to be issued under Resolutions 3 and 4 will exceed the 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required under Listing Rule 7.1.

5.2 Technical Information Required by ASX Listing Rule 7.1 – Resolution 3

The following information is provided in relation to Resolution 3 pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of securities to be issued is 15,000,000 of Options;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that they will be issued on one date;
- (c) the Options will be issued for nil cash consideration as consideration for Xcel Capital's assistance with facilitating the Acquisition, the provision of advice as the Company's corporate adviser and for Xcel Capital's services in facilitating the Acquisition. Accordingly, no funds will be raised from the issue of the Options;
- (d) each Option will be unlisted options to acquire ordinary fully paid Shares in the Company issued on the terms and conditions specified in Schedule 3; and
- (e) a voting exclusion statement has been included under Resolution 3 in the Notice.

5.3 Technical Information Required by ASX Listing Rule 7.1 – Resolution 4

The following information is provided in relation to Resolution 4 pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of securities to be issued is 10,000,000 Options to be issued on the following basis:
 - (i) 2,000,000 Options to Aedion Holdings (and/or its nominees); and
 - (ii) 8,000,000 Options to JK Consulting (and/or its nominees);
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that they will be issued on one date;
- (c) the Options will be issued for nil cash consideration, but rather as consideration for the provision of corporate advisory and consulting services in connection with the Acquisition. Accordingly, no funds will be raised from the issue of the Options;
- (d) the Options will be unlisted options to acquire ordinary fully paid Shares in the Company issued on the terms and conditions specified in Schedule 3; and
- (e) a voting exclusion statement has been included under Resolution 4 in the Notice.

6. Resolution 5 – Issue of Options to Directors

6.1 General

Under this Resolution, it is proposed to grant to Ariel “Eddie” King, Cameron McLean and Lincoln Ho, all being current Directors of the Company (or their nominees) a total of 15,000,000 Options. The total maximum number of Options which may be issued to the Directors (or their nominees) is 15,000,000 to be issued on the following basis:

- (a) 2,000,000 to Cameron McLean (and/or his nominees);
- (b) 10,000,000 to Eddie King (and/or his nominees); and
- (c) 3,000,000 to Lincoln Ho (and/or his nominees).

The Options are unlisted options, exercisable at \$0.03 each, on or before the date which is 3 years from their date of issue (**Options**). Each Option will be issued for a nominal issue price of \$0.0001 per Option. Accordingly, only a nominal amount will be raised (being \$1,500).

Each of the Directors has a material personal interest in the outcome of Resolution 5 (as applicable to each Director) in this Notice of Meeting by virtue of the fact that Resolution 5 are concerned with the issue of Options to Directors. Section 195 of the Corporations Act essentially provides 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. In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations act to put the issue to Shareholders to determine.

6.2 ASX Listing Rule 10.11

In accordance with the Listing Rules, Shareholder approval is required for the issue of equity securities to a related party of the Company. Eddie King, Cameron McLean and Lincoln Ho are Directors of the Company and are therefore Related Parties of the Company. Consequently, in accordance with the Listing Rule 10.11, Shareholder approval is required for the issue of equity securities to Eddie King, Cameron McLean and Lincoln Ho.

6.3 Section 208 Corporations Act

Section 228(6) of the Corporations Act states that a person is a related party of a company if the company believes, or has reasonable grounds to believe that the person is likely to become a related party.

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

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

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

The issue of the Options to the Directors under Resolution 5 constitutes giving a financial benefit and the Directors are each a related party of the Company as described above.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options as a result of the Options being reasonable remuneration having regard to the Directors' current remuneration packages.

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Related Parties are Eddie King, Cameron McLean and Lincoln Ho and they are related parties by virtue of being existing Directors of the Company;
- (b) the aggregate maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 10,000,000 Options to Eddie King (and/or his nominee);
 - (ii) 2,000,000 Options to Cameron McLean (and/or his nominee); and
 - (iii) 3000,000 Options to Lincoln Ho (and/or his nominee);
- (c) the Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended they will be issued on one date.
- (d) the Options will be unlisted options to acquire ordinary fully paid Shares in the Company issued on the terms and conditions specified in Schedule 3;
- (e) the Options will be issued for nominal cash consideration of \$0.00001 per Option (being a total of \$1,500) as part of the Director's remuneration package. Accordingly, this nominal amount will supplement the Company's working capital.
- (f) if approval is given for this Resolution for the purposes of Listing Rule 10.11, approval for the issue under this Resolution is not required under Listing Rule 7.1; and
- (g) a voting exclusion statement has been included under Resolution 4 in the Notice.

Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

Acquisition means the Company's purchase of up to 100% of the issued capital of QPM from the Vendors for the Consideration.

Aedion Holdings means Aedion Holdings Pty Ltd as trustee for the Monarch Trust ACN 705 863 279.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the "designated body" for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Business Day means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Company means Pure Minerals Limited (ACN 125 368 658).

Consideration means the consideration payable by the Company to the Vendors for the Acquisition as set out in 3.1 of the Explanatory Memorandum.

Consideration Shares has the meaning given to it in 3.1 of the Explanatory Memorandum.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Deferred Consideration Shares has the meaning given in 3.1 of the Explanatory Memorandum.

Director means a director of the Company.

Eden Garry Project means the exploration permit (EPM 27035) in North Queensland owned by QPM.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

JORC means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

JK Consulting means John Koo trading as JK Consulting, ACN 470 357 961.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Option means an option to purchase a fully paid share in the capital of the Company.

Proxy Form means the proxy form attached to the Notice.

QPM means Queensland Pacific Metals Pty Ltd (ACN 622 782 567).

Resolution means resolution contained in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Term Sheet means the conditional exclusive binding term sheet between the Company, QPM and the Vendors on or about 12 October 2018 as varied and restated on 24 February 2019.

Vendors means the shareholders of QPM which are set out in Schedule 2.

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

Xcel Capital Pty Ltd means Xcel Capital Pty Ltd (ACN 617 047 319)

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

Schedule 2 – Vendors

Registered Shareholder	Entitlement to Consideration				
	Consideration Shares 33,300,000 PM1 Shares	Deferred Consideration Shares			
		116,630,000 Deferred Consideration Shares (Milestone A)	83,330,000 Deferred Consideration Shares (Milestone B)	83,330,000 Deferred Consideration Shares (Milestone C)	83,330,000 Deferred Consideration Shares (Milestone D)
Robert Ashley Pearce	8,547,000	29,935,033	21,388,033	21,388,033	21,388,033
John Charles Downie	8,547,000	29,935,033	21,388,033	21,388,033	21,388,033
Andrew Martin Matheson	8,547,000	29,935,033	21,388,033	21,388,033	21,388,033
John Kay Khoo	1,665,000	5,831,501	4,166,501	4,166,551	4,166,551
Shriver Nominees Pty Ltd	5,994,000	5,994,000	14,999,400	14,999,400	14,999,400
TOTAL	33,300,000	116,630,000	83,330,000	83,330,000	83,330,000

Schedule 3 – Rights and liabilities attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements.

(a) **Voting Rights**

Subject to any rights or restrictions, at general meetings:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) has one vote on a show of hands; and
- (iii) has one vote for every Share held, upon a poll.

(b) **Dividend Rights**

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

(c) **Variation of Rights**

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(d) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

(e) **General Meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

(f) **Rights on Winding up**

if the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the

assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

For personal use only

Schedule 3 – Rights and liabilities attaching to Options

A summary of the rights attaching to the Options is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements.

(a) Entitlement

Subject to paragraph (m), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraphs (j) and (l), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00pm (WST) on the day that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

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

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all

such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

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

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

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

(l) Adjustment for rights issue

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(m) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(n) Unquoted

The Company will not apply for quotation of the Options on ASX.



Pure Minerals Limited

ABN 61 125 368 658

PM1

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00am (AEST) Monday, 29 April 2019

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Pure Minerals Limited hereby appoint



the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Pure Minerals Limited to be held at Suite 1, Level 6, 350 Collins Street, Melbourne, Victoria on Wednesday, 1 May 2019 at 10:00am (AEST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 5a, 5b and 5c (except where I/we have indicated a different voting intention below) even though Resolutions 5a, 5b and 5c are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 5a, 5b and 5c by marking the appropriate box in step 2 below.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Share Issue – Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Share Issue – Deferred Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Options to Corporate Adviser	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4a	Issue of 2,000,000 Options to Aedion Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4b	Issue of 8,000,000 Options to John Khoo trading as JK Consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5a	Issue of 2,000,000 Options to Director - Cameron McLean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5b	Issue of 10,000,000 Options to Director - Ariel Edward King	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5c	Issue of 3,000,000 Options to Director - Lincoln Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

PM 1

9 9 9 9 9 9 A

Computershare +