

NIUMINCO GROUP LIMITED

ABN 44 009 163 919

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Niuminco Group Limited (ACN 009163919) ("**Company**") will be held at 11th floor, 151 Macquarie Street, Sydney, NSW 2000 on Wednesday 26th November 2014 commencing at 2.30pm.

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Director's and auditor's reports for the year ending 30 June 2014.

2. Resolution 1 – Approval of Remuneration Report

To consider and, if thought fit, pass the following **advisory only resolution**:

"That, for the purposes of section 250R of the Corporations Act and for all other purposes, Shareholders approve the Remuneration Report for the year ending 30 June 2014."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion

The Company will disregard any votes cast on this Resolution 1 by any member of the Key Management Personnel or their Closely Related Parties.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as 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, if the Chairman is expressly authorised to vote as the Chairman decides by the Proxy Form. The Chairman of the meeting is so authorised and intends to vote all available undirected proxies in favour of Resolution 1.

3. Resolution 2 – Re-election of a Director – Mr Terence Willstead

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

"That, for all purposes, Mr Terence Willstead, who retires by rotation and, being eligible, offers himself for re-election, is re-elected as a Director."

4. Resolution 3 – Approval of Placement of 73,000,000 Ordinary shares

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

That for the purposes of ASX Listing Rule 7.4, shareholders ratify and approve the previous issue of 73,000,000 fully paid ordinary shares as detailed in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 3 by any person who participated in the issues of ordinary shares described in the Explanatory Memorandum and any of their associates. 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 direction on a proxy form; or it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5. Resolution 4 – Approval of 10% Placement Facility

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totaling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Voting Exclusion

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 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as 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 on the Proxy Form to vote as the proxy decides.

6. Resolution 5 – Approval of Issue of 10,000,000 shares to Goward Pty Limited

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

“For the purpose of Listing Rule 10.11 of the ASX Limited and for all other purposes, the proposed issue by the Company of the shares to Goward Pty Limited as specified in the Explanatory Memorandum attached to and forming part of this Notice of Meeting, be approved.”

Voting Exclusion

In accordance with ASX Listing Rule 14.11 the Company will disregard any votes cast on this resolution by Goward Pty Limited and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as 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 on the Proxy Form to vote as the proxy decides.

7. Resolution 6 – Approval of Issue of 7,953,428 shares to Inkex Pty Limited

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

“For the purpose of Listing Rule 10.11 of the ASX Limited and for all other purposes, the proposed issue by the Company of the shares to Inkex Pty Limited as specified in the Explanatory Memorandum attached to and forming part of this Notice of Meeting, be approved.”

Voting Exclusion

In accordance with ASX Listing Rule 14.11 the Company will disregard any votes cast on this resolution by Inkex Pty Limited and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as 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

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders 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.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 2.30pm (AEST) on 24th November 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

By Order of the Board of Directors

Mark Ohlsson
Company Secretary
22nd October 2014

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

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

This Explanatory Statement should be read in conjunction with the Notice.

1. Financial Statements and Reports

The Corporations Act requires the annual financial report, the directors' report and the auditor's report for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report. Shareholders who have elected to receive the Annual Report will have been provided with a copy. The Annual Report is also available on ASX's website.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

2. Resolution 1 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. However, section 250R(3) of the Corporations Act expressly provides that the vote on this Resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the Annual Report.

If at least 25% of the votes on the Resolution are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2015 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting ("**Spill Meeting**") within 90 days of the Company's 2015 annual general meeting. All of the Directors who were in office when the Company's 2015 Directors' report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel or any Closely Related Party as your proxy, other than the Chairman, to vote on Resolution 1 then **you must direct the proxy on how they are to vote**. If your proxy is a member of Key Management Personnel or any Closely Related Party, other than the Chairman, and you do not direct your proxy on how to vote on Resolution 1, your vote will not be counted in computing the required majority.

If you appoint the Chairman as your proxy, and do not direct him how to vote, the Chairman will vote your proxy as he decides. The Chairman intends voting all undirected proxies in favour of Resolution 1.

Please see the Proxy Form for further information on such appointments.

In accordance with section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

3. Resolution 2 – Re-election of a Director – Mr Terence Willstead

Mr Willstead B.E (Mining) (Hons), is a Fellow of the Australasian Institute of Mining and Metallurgy and has, since 1973, been the Principal of consulting mining engineers, Terence Willstead & Associates. His forty year career in the mining industry has included senior management, operational and engineering positions with Zinc Corporation Ltd, Mt Isa Mines Ltd and Consolidated Goldfields Australia Ltd.

In his consulting experience, Mr Willstead has been involved in the assessment and development of a wide range of mineral, coal and oil shale projects, and has participated in the management of developing and operating mineral projects both in Australia and internationally.

Mr Willstead is a director of International Ferro Metals Limited, South American Ferro Metals Limited, Vantage Gold Limited, Nickel Mines Limited, Takordi Gold Limited and Goldsearch Limited.

4. Resolution 3– Placement of 73,000,000 Ordinary Shares

The purpose of resolution 3 is for shareholders to approve and ratify under ASX Listing Rule 7.4, issues of securities which have occurred during the 12 months before the date of this meeting and count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, subject to certain exceptions, prior approval of shareholder be required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of ordinary securities at the commencement of that 12 month period.

The issue of securities detailed in this resolution did not exceed the 15% threshold, however, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with the approval for the purpose of Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 3 proposes the ratification and approval of the issue of securities for the purpose of satisfying the requirements of Listing Rule 7.4.

In compliance with Listing Rule 7.5 the following information is provided with respect to the issues of securities:-

On 20 December 2013, 2,100,000 fully paid ordinary shares were issued at a price of 1 cent per share. The shares rank equally with existing ordinary shares. The shares were issued to PNG employees of the Group.

On 5 August 2014, 8,400,000 fully paid ordinary shares were issued at a price of 0.5 cents per share. The shares rank equally with existing ordinary shares. The shares were issued to extinguish debt.

On 5 August 2014, 62,500,000 fully paid ordinary shares were issued at a price of 0.4 cents per share. The shares rank equally with existing ordinary shares. The shares were issued to a sophisticated investor. The funds raised were used for working capital.

5. Resolution 4 – Approval of 10% Placement Facility

5.1 General

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 entity's annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under 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 now 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 4.2(c) below).

The Board believes that Resolution 4 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this Resolution.

5.2 Description of Listing Rule 7.1A

(a) 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.

(b) 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.

As at the date of the Notice, the Company has the following Equity Securities on issue:

- (i) 689,097,081 Ordinary Shares.

(c) Formula for calculating 10% Placement Facility

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

Note that A has the same meaning as in Listing Rule 7.1 when 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 Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under 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:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX ("**10% Placement Period**").

5.3 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 ASX trading days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table 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.

The table also shows:

- (iii) 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, a 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
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable A in Listing Rule 7.1A.2		Dilution		
		\$0.001 50% decrease in Market Price	\$0.002 Current Market Price	\$0.004 100% increase in Market Price
Current Variable A 616,097,080	10% Voting Dilution	61,609,708 Shares	61,609,708 Shares	61,609,708 Shares
	Funds raised	\$61,610	\$92,414,562	\$246,439
50% increase in current Variable A 924,145,620	10% Voting Dilution	92,414,562 Shares	92,414,562 Shares	92,414,562 Shares
	Funds raised	\$92,415	\$184,829	\$369,658
100% increase in current Variable A 1,232,194,160	10% Voting Dilution	123,219,416 Shares	123,219,416 Shares	123,219,416 Shares
	Funds raised	\$123,219	\$246,439	\$492,878

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
2. No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
3. 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%.
4. 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 Annual General Meeting.
5. 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.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is \$0.002, being the closing price of the Shares on ASX on 21st October 2014.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).

- (d) The Company may seek to issue the Equity Securities under the 10% Placement Facility to raise funds for working capital, for geochemical sampling and drilling on the Company's projects and as consideration for the acquisition of assets or to pay for services provided to the Company or its subsidiaries. Accordingly, Equity Securities may be issued for non-cash consideration.

The Company will comply with the disclosure obligations under 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 the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) 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;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) 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 are likely to be investors which are sophisticated or professional investors (or both) for the purposes of section 708 of the Corporations Act.

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

- (e) The Company obtained Shareholder approval under Listing Rule 7.1A at its 2013 Annual General Meeting. However no securities have been issued pursuant to this approval.
- (f) 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.

6. Resolution 5 – Issue of shares to Goward Pty Ltd

Goward Pty Ltd is a company controlled by Mr Tracey Lake, a director of the Company. Goward Pty Ltd receives \$200,000 per annum for the provision of Mr Lake's services to the Company.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a Company must not issue or agree to issue equity securities to a related party such as a director, without the Company first obtaining the approval by ordinary resolution of its shareholders.

The Company is seeking approval of shareholders under ASX Listing Rule 10.11 to allow the Company to issue shares to Goward Pty Ltd in satisfaction of \$40,000 fees owing. If the shareholders approve the issue of the shares under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1 and as a result, the shares will not be taken into account in determining whether a future issue of securities would result in the 15% cap imposed by ASX Listing Rule 7.1 being exceeded.

The following additional information is provided with respect to the issue of the shares:

- the name of the person to whom the shares are to be issued is Goward Pty Ltd.
- the maximum number of shares to be issued is 10,000,000.
- the date by which the shares will be issued will be not later than one month after the date of this meeting.
- Mr Tracey Lake, a director of the Company controls Goward Pty Ltd.
- the issue price of the shares is \$0.004. The shares are fully paid ordinary shares and the shares rank equally with existing shares.
- there will be no fresh funds raised from the issue of the shares, as the shares will be issued in satisfaction of fees owing.

Arm's Length Dealing

The directors, not including Mr Lake, consider that the terms on which the shares are to be issued are reasonable in the circumstances as if the Company and Goward Pty Ltd were dealing at arm's length.

7. Resolution 6 – Issue of shares to Inkex Pty Ltd

Inkex Pty Ltd is a company controlled by Prof Ian Plimer, a director of the Company. In July 2014 Inkex Pty Ltd lent \$39,767.14 to the Company. The loan is repayable or convertible to ordinary shares on the basis of \$0.005 per share, subject to shareholder approval.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a Company must not issue or agree to issue equity securities to a related party such as a director, without the Company first obtaining the approval by ordinary resolution of its shareholders.

The Company is seeking approval of shareholders under ASX Listing Rule 10.11 to allow the Company to issue shares to Inkex Pty Ltd in satisfaction of the repayment of the loan of \$39,767.14. If the shareholders approve the issue of the shares under ASX Listing Rule 10.11 approval is not required under ASX Listing Rule 7.1 and as a result, the shares will not be taken into account in determining whether a future issue of securities would result in the 15% cap imposed by ASX Listing Rule 7.1 being exceeded.

The following additional information is provided with respect to the issue of the shares:

- the name of the person to whom the shares are to be issued is Inkex Pty Ltd.
- the maximum number of shares to be issued is 7,953,428.
- the date by which the shares will be issued will be not later than one month after the date of this meeting.
- Prof Ian Plimer, a director of the Company controls Inkex Pty Ltd.
- the issue price of the shares is \$0.005. The shares are fully paid ordinary shares and the shares rank equally with existing shares.
- there will be no fresh funds raised from the issue of the shares, as the shares will be issued in satisfaction of fees owing.

Arm's Length Dealing

The directors, not including Prof. Plimer, consider that the terms on which the shares are to be issued are reasonable in the circumstances as if the Company and Inkex Pty Ltd were dealing at arm's length.