
RIVA RESOURCES LIMITED

ACN 119 992 175

NOTICE OF GENERAL MEETING

TIME: 11:00 am (WST)

DATE: 23 January 2018

PLACE: Suite 8/1297 Hay Street West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6009.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00 am (WST) am on 23 January 2018 at:
Suite 8/1297 Hay Street, West Perth WA 6005

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

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 Shareholders at 11:00 am (WST) on 21 January 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

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 (ie 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 (ie 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 (ie 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; or
 - the proxy does not vote on the resolution,

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,000,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ISSUE OF SHARES UNDER PLACEMENT

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 450,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – ISSUE OF INTRODUCTION SHARES

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 62,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF UNDERWRITER OPTIONS

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

“That, subject to and conditional upon the passing of all Essential Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 200,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 22 December 2017

By order of the Board

Keong Chan
Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

All Resolutions are **Essential Resolutions**, as such the Essential Resolutions must be passed for the Acquisition to proceed. If any one of the Essential Resolutions are not approved at the Meeting, none of them will take effect and the Acquisition and other matters contemplated by this Notice will not be completed.

1. BACKGROUND

1.1 General Background and Current Activities

The Company was incorporated on 1 June 2006 and is currently listed on the ASX, having commenced quotation on 18 February 2009.

The principal activity of the Company is mineral exploration with a portfolio of gold and base metal assets in Western Australia. The Company currently has two key projects, namely the Tabac Cobalt and Gold Project and the Ashburton Base Metal and Gold Project.

The Company notes the sale of its Pilbara Iron Project – Rocklea to WA Iron Pty Ltd which was completed on 31 August 2017 (**Disposal**). As announced to the ASX on 31 August 2017 and later on 31 October 2017, the decision to complete the Disposal was undertaken following an extensive bidding process. The Company maintains a residual interest in the Pilbara Iron Project – Rocklea through a 1% royalty on the FOB revenue of any iron ore mined from the project and sold or otherwise disposed of by the buyer. The Pilbara Iron Project – Rocklea was not considered core to the Company's portfolio of assets (which currently includes the Tabac and Ashburton Projects).

Tabac Project

The Tabac Project is located on the Goldfields Highway 30 km west of Wiluna and adjacent to the Paroo Station lead mine. The two Exploration Licences (E53/1891 and E53/1895) were granted in January and March 2017 respectively.

During the recent quarter, the Company carried out rehabilitation works for the previous drilling. Given the disappointing drilling results, the Company is currently considering options for the Tabac Project.

Ashburton Project

The Ashburton Project is located in the Ashburton Basin, and is 10 to 40km from rail and other infrastructure associated with the Paraburdoo iron ore operations of Rio Tinto Limited.

In April 2013 the Company entered into a Farm-in/Farm-out Agreement for the Ashburton Project (later amended in October 2015) (**JV Agreement**) with Shandong Energy Australia Pty Ltd (**Shandong Energy**) and Shandong Lunan Geo-Engineering Exploration Institute (**Lunan**) (together the **JV Partners**).

Pursuant to the terms of the JV Agreement, the JV Partners currently hold the maximum 52.8% joint venture interest in the Ashburton Project. As set out in the Company's latest Quarterly Activities Report dated 31 October 2017, Lunan has indicated that it does not wish to contribute further to the approved program and budget. The Company intend to work with the JV Partners in accordance with the terms of the JV Agreement to establish a new holding and exploration strategy in relation to the Ashburton Project during the next quarter.

Together the Tabac Project and Ashburton Project will be referred to in this Notice as the **Existing Assets**.

1.2 Acquisition

As announcement on 6 December 2017, the Company has recently executed a binding terms sheet (**Acquisition Agreement**) pursuant to which the Company has agreed to acquire 100% of the issued share capital of Providence Metals Pty Ltd (ACN 612 933 981) (**Providence**) free from encumbrances, from the shareholder of Providence (**Providence Shareholder**) (**Acquisition**).

A summary of the Acquisition Agreement is set out in section 1.3 below.

Providence is a proprietary exploration company and is the legal and beneficial owner of:

- (a) EL8520 and EL8641 located in New South Wales as set out in Schedule 1 (**Tenements**); and
- (b) all mining information in the possession or control of the Providence and the Providence Shareholder as at settlement of the Acquisition which relates to the Tenements (**Mining Information**), including:
 - (i) all surveys, maps, plans, geophysical plots (including magnetics and EM) and diagrams of the Tenements and adjacent areas;
 - (ii) all drill samples and ores, drilling locations and logs from drilling conducted on the Tenements or adjacent areas;
 - (iii) all assays, reports, microprobe data, sample and visible grain count listings, geological, geochemical and petrographic samples and reports of or with respect to ores extracted from or located upon the Tenements or adjacent areas; and
 - (iv) copies of or rights to (as applicable) all papers, notes, advices and reports extracted or compiled from or based upon the documents and items referred to above and all other data, specification records (in whatever form), reports, accounts and other documents or things and knowledge (whether reduced to writing or not) relating to the Tenements or adjacent areas, including, for the avoidance of doubt, all electronic formats of the same,

(together the **Assets**).

The Assets comprise the "Hylea Project" and are principally prospective for cobalt, nickel, platinum and scandium, however other minerals may be explored for by the Company on the Tenements. Further details of the Hylea Project are set out in Section 1.4 below.

1.3 Acquisition Agreement

A summary of the material terms of the Acquisition Agreement is set out below:

- (a) **Conditions Precedent:** The Acquisition is conditional upon, amongst other things:
 - (i) the Company completing the Capital Raising (defined below);

- (ii) the Company and Neon Capital Ltd Neon Capital Ltd (ACN 002 796 974) (**NEN**) entering into the Underwriting Agreement (defined below);
- (iii) the Company obtaining Shareholder approval pursuant to:
 - (A) ASX Listing Rule 11.1.2 for the change in nature and scale of the Company which will occur as a result of the Acquisition; and
 - (B) ASX Listing Rule 7.1 for the issue of the Consideration Shares (defined below);
- (iv) the parties obtaining all approvals necessary from ASIC and the ASX under the ASX Listing Rules and Corporations Act to allow the parties to lawfully complete the matters set out in the Acquisition Agreement;
- (v) none of the Company's representations and warranties becoming materially untrue, incorrect or misleading prior to completion of the Acquisition;
- (vi) none of Providences representations and warranties becoming materially untrue, incorrect or misleading prior to completion of the Acquisition; and
- (vii) the Company replacing, to the Providence Shareholder's reasonable satisfaction, the environmental bonds (including two environmental bonds of \$10,000 each) provided for Providence to the Department of Planning and Environment (or its equivalent from time to time) in accordance with the Mining Act (**Performance Bonds**), including the repayment of the amount of the Performance Bonds by the Company to the Providence Shareholder in immediately available funds free of set-off and any other right or claim;

(together the **Conditions Precedent**).

- (b) **Non-refundable deposits:** The Company has agreed to pay non-refundable deposits to the Providence Shareholder:
 - (i) on the date of signing the Acquisition Agreement, the Company paid to the Providence Shareholder \$300,000 as an initial non-refundable deposit (**Initial Deposit**). In consideration of the Company paying the Initial Deposit, the Providence Shareholder agree to deal exclusively with the Company (on the terms set out in the Acquisition Agreement) for a period of 60 days from the date of the Acquisition Agreement (**Initial Exclusivity Period**); and
 - (ii) if on written request by the Company to the Providence Shareholder to extend the exclusivity beyond the Initial Exclusivity Period and if agreed to in writing by the Providence Shareholder in its absolute and unfettered discretion, after the Initial Exclusivity Period, the Company must pay to the Providence Shareholder, on each occasion, \$100,000 (each a **Subsequent Deposit**) on the first day of each subsequent and successive 30 day period, up to the earlier of the End Date and the date the Acquisition Agreement is terminated in accordance with its terms (each a **Subsequent Exclusivity Period**). In consideration of the Company paying each Subsequent Deposit, the Providence Shareholder agrees to deal exclusively with the Company (on the terms set out in the Acquisition Agreement) for the relevant Subsequent Exclusivity Period.

The Initial Deposit and any Subsequent Deposit (together, the **Deposits**) paid by the Company are non-refundable, such that if completion of the Acquisition does not occur for any reason, the Providence Shareholder is entitled to retain the Deposit(s).

Upon completion of the Acquisition the Deposit(s) will be deemed to be a prepayment of that amount of the Cash Consideration (defined below).

(c) **Consideration:** In consideration for the Acquisition the Company has agreed to pay the Providence Shareholder \$8,000,000, comprising:

- (i) a cash payment of \$4,000,000 (**Cash Consideration**);
- (ii) the issue of 1,000,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at a deemed issue price of \$0.004 per share (**Consideration Shares**); and
- (iii) a 1.5% gross sales royalty on Group 1 Minerals (as defined in Schedule 2 of the *Mining Regulation 2016* (NSW)) sold by the Company from the Tenements.

(d) **Capital Raising:** The Company's current cash position is \$1,856,673 being approximately \$1,821,673 in net cash (current cash less current outstanding creditors). Accordingly, the Company has agreed to concurrently with the Acquisition, raise \$4,000,000 after costs by way of:

- (i) a placement of 450,000,000 Shares to NEN (or its nominee) and Prenzler Group Pty Ltd (ACN 621 100 730) (or its nominee) (**Prenzler**) at an issue price of \$0.004 per Share to raise \$1.8 million (**Placement**); and
- (ii) a pro-rata entitlement issue at a ratio of three (3) Shares for every four (4) Shares held at \$0.004 per Share to raise \$2.213 million or such other raising on similar terms (**Entitlement Issue**).

(together the **Capital Raising**).

(e) **Underwriting:** NEN has agreed to fully underwrite the Capital Raising. The Company and NEN must enter into an underwriting agreement which sets out the terms and conditions upon which NEN must underwrite the Capital Raising (**Underwriting Agreement**). A summary of the Underwriting Agreement is set out in section 1.8.2 below.

In consideration for NEN underwriting the Capital Raising, the Company has agreed to grant NEN (or its nominee) 200,000,000 options to acquire Shares (**Underwriter Options**) each with an exercise price of \$0.01 expiring on or before the date which is two (2) years from their date of issue.

(f) **Introduction Fee:** The Company has agreed to issue 62,500,000 Shares at an issue price of \$0.004 per Share to Henconnor Pty Ltd (ACN 090 975 947) (or its nominee) (**Henconnor**), in consideration for the introduction of the Acquisition (**Introduction Shares**).

(g) **Board Composition:** The Company has agreed to appoint one (1) director nominated by Providence to the board of directors of the Company (**Board**) and one (1) existing director will resign. Accordingly, upon completion of the Acquisition the Board will comprise two (2) existing directors and one newly appointed director.

- (h) **End Date / Best Endeavours:** If the Conditions Precedent are not satisfied (or waived) (or become incapable of being satisfied and are not waived) on or before 5:00pm (Perth time) on 31 January 2018 (**End Date**), then either the Company or the Providence Shareholder may terminate the Acquisition Agreement by written notice to the other parties.
- (i) **Termination:** A party to the Acquisition Agreement may terminate the Acquisition Agreement if there has been a material breach of a provision of the Acquisition Agreement by another party and that material breach is incapable of remedy, or if capable of remedy, has not be remedied within 10 business days.

1.4 Summary of the Resolutions

A summary of the Resolutions is as follows:

- (a) ASX has indicated to the Company that the change in nature and scale of the Company's activities as a result of the Acquisition requires the Company to obtain Shareholder approval in accordance with ASX Listing Rule 11.1.2 (*Resolution 1*);
- (b) the issue of 1,000,000,000 Consideration Shares to the Providence Shareholder in consideration for the Acquisition (*Resolution 2*);
- (c) the issue of 450,000,000 Shares under the Placement (*Resolution 3*);
- (d) the issue of 62,500,000 Introduction Shares to Henconnor (or its nominee) in consideration for the introduction of the Acquisition (*Resolution 4*); and
- (e) the issue of 200,000,000 Underwriter Options to NEN (or its nominee) in consideration for underwriting the Capital Raising (*Resolution 5*).

1.5 Directors' recommendation and voting intention

All of the Directors are of the opinion that the Acquisition is in the best interests of Shareholders and, accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Essential Resolutions. The Directors' recommendations are based on the reasons outlined in Section 1.13.

Each of the Directors intends to vote all of their Shares in favour of each of the Resolutions in which they are entitled to vote.

1.6 The Hylea Project

The Hylea Project contains Cobalt, Nickel, Platinum and Scandium mineralization akin to nearby Sunrise (Clean Teq Holdings Limited ((ASX:CLQ)), Owendale (Platina Resources Limited (ASX: PGM)), Flemington (Australian Mines Limited (ASX:AUZ)), Nyngan (Scandium International Mining Corporation TSX:SCY) and Homeville (Collerina Cobalt Limited (ASX: CLL)).

The Haylea Project is located in Australia's Premier Cobalt-Scandium-Nickel Province in Central West of New South Wales, 10km south-west of Tottenham and 140km north-west by road of Parkes. The Hylea Project comprises of Hylea EL8520 which is 12 units/34.5kms² and Bulbodney EL8641 which is 56 units/161 kms².

Summary exploration results for the Hylea Project are set out below:

High grade, near or at surface drilled intersections across approx. 1km x 0.5km target area, open:

- 7m @ 0.32% Co, 0.15g/t Pt & 0.55% Ni, incl 1m @ 0.64% Cobalt;
- 8m @ 0.27% Co, 0.69g/t Pt & 0.73% Ni, incl 1m @ 0.85% Cobalt;
- 5m @ 504ppm Sc, within 13m @ 355ppm Scandium;
- 4m @ 460ppm Sc, within 17m @ 323ppm Scandium; and
- 21m @ 1.05g/t Pt, Incl 4m @ 2.84g/t Platinum.

Shareholders should refer to the Company's ASX Announcement dated 6 December 2017 (**Acquisition Announcement**) for full details of exploration results at the Hylea Project, including schedules of historical drill hole intercepts and JORC Code Reporting Criteria Tables for further details of previous exploration. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Acquisition Announcement.

1.6.1 Project History

Modern exploration within the Hylea Project commenced in the 1970's when Lamadec Exploration Ltd (EL184) completed soil sampling, ground magnetics, an induced polarization (IP) survey and auger drilling at the Barbarella Copper Prospect, and a single diamond drill hole (TM360D139) completed to 228.6m.

Between September 1996 to February 1998 a joint venture between Lachlan Resources N.L. and Platsearch NL, (EL2652 & EL4454) completed 206 RAB holes (LR1 to LR147 and TG1 to TG55) for 7,352m and 2 NQ diamond holes (HY1 and HY2) for 202.48m. The drill holes targeted platinum at the Tigers Creek Prospect and regional targets.

Black Range Minerals NL (EL5633) between Oct 1999 to May 2003 completed 15 Reverse Circulation (RC) holes (HRC001 to HRC015) for 609m targeting Ni-Cobalt mineralization at the Tigers Creek prospect. Each hole was logged on a 1m basis, assay samples were collected on 1m intervals via cyclone and riffle split for assay. Assays samples were submitted to UltraTrace Perth, elements analyzed comprised Au, Pt, Pd, Ni, Co, Mg, Fe, Mn, Zn, Cu, Al, Cr, As, Ca, Sc and Silica together with moisture content.

Rimfire Pacific Mining NL explored (EL6144) for Pt mineralization between Oct 2004 to April 2014. Rimfire completed 34 air core / RC holes (HO3-01 to HO3-34) for 1,141m primarily at the Tigers Creek Prospect. Drill samples were submitted to ALS Chemex Orange NSW for Pt, Pd, Au by assay method PGM/MS24 fire assay method with 50g charge followed by ICP/MS analysis. Additional base metals assays were conducted on the previously assayed composite samples for Co, Cu, Ni, Pb and Zn, by 4 acid digest and ICP finish ME/ICP61.

EL8294 was granted to JODAMA Pty Ltd on the 20th August 2014 to 7th March 2016. Work completed included compilation of all previous drilling data including drill hole collar and assay data. JODAMA Pty Ltd focused on platinum mineralization drilled by previous explorers and produced a non-JORC compliant Pt Resource before relinquishing the project.

The current holder of the Hylea Project Providence Metals Pty Ltd has been focused on compiling and interpreting historic data that supports the presence of a laterite hosted Co Ni Sc Pt system at the Tigers Creek Prospect.

1.6.2 Regional Geology

The Hylea Project encapsulates the Hylea and Bulbodney Early Silurian to Devonian aged Alaskan-type intrusive complexes, of dunite - pyroxenite – hornblendite to gabbro, diorite and monzonite compositions. Hylea and Bulbodney collectively with the Tout (host to the Sunrise and Flemington Co Sc deposits), Owendale and multiple other similar intrusions, form the “Fifield Complexes” which extend from north of the town of Condobolin to south of Bourke, NSW. The Fifield Complexes are considered to be derived from a fertile mantle source emplaced as a diapir into wet sediments of the Girilambone Group during a period of regional extension, coeval with “Phase 4” magmatism associated with porphyry Cu-Au mineralisation at the Cadia and North Parkes mines.

High background nickel, cobalt, scandium and platinum in these basement ultramafic rocks has been enriched to higher grades in the overlying laterite profile due to supergene enrichment processes. The lateritisation process has resulted in a thin laterally extensive zone in-turn covered by lateritic soils and/or shallow alluvial gravels and sands. The geology is considered analogous to the nearby Owendale Complex held by Platina Resources, and the Tout intrusive complex held by CleanTeq Ltd and Australian Mines Limited, which host significant laterite Ni Co Sc Pt resources.

Key features of the Hylea Project geology are:

- (a) 8km x 3.5km Alaskan-type zoned ultramafic intrusive ‘Fifield Complex’ at Hylea.
- (b) Dunite, pyroxenites, hornblendite, monzonite basement lithologies.
- (c) 10m to 70m thick in situ regolith profile including laterite.
- (d) Laterite host to Co-Ni-Sc-Pt mineralisation consistent with Sunrise (Clean Teq Holdings Limited ((ASX:CLQ)) and Owendale (Platina Resources Limited (ASX: PGM)):
 - (i) Comparable scale intrusive complexes;
 - (ii) Comparable source geology; and
 - (iii) Comparable Co Ni Sc Pt grades.

1.7 The Capital Raising

As stated above, pursuant to the Acquisition Agreement the Company will undertake the Capital Raising.

The monies raised from the Capital Raising will be used to deliver on the Company's stated objectives of advancing the Hylea Project. It is envisioned that the available funds will be applied by the Company over the next 12 months as follows:

Item	Amount (\$)
Cash as at 13 December 2017	1,856,673
Current outstanding creditors	-35,000
SUB-TOTAL	1,821,673
Placement	1,800,000
Entitlement Issue	2,213,783
TOTAL	5,835,456
Cash Consideration ¹	\$3,700,000
Estimated costs of the Acquisition and Capital Raising	100,000
Expenditure on Hylea Project ²	1,000,000
Expenditure on Existing Assets ³	300,000
Corporate administration	500,000
Working Capital	235,456
TOTAL	5,835,456

Notes:

1. The Company has paid the Providence Shareholder \$300,000 as an initial deposit pursuant to the terms of the Acquisition Agreement. Upon completion of the Acquisition the \$300,000 deposit will be deemed to be a pre-payment of that amount of the total \$4,000,000 Cash Consideration.
2. Approximately \$150,000 will be allocated toward conducting further aeromagnetic surveying and interpretation, \$50,000 will be allocated towards drill preparation and \$800,000 will be allocated towards drilling and assaying and analysis.
3. Approximately \$300,00 will be allocated toward conducting further aeromagnetic surveying and interpretation.

The above table of expenditure is a statement of current intentions as at the date of this Notice. Intervening events (such as exploration success or failure) may alter the way funds are ultimately applied by the Company.

1.8 Material Contracts

1.8.1 Acquisition Agreement

A summary of the Acquisition Agreement is set out in section 1.2 above.

1.8.2 Underwriting Agreement

As noted above, on 1 December 2017, the Company and NEN entered into the Underwriting Agreement pursuant to which NEN has agreed to fully underwrite the Capital Raising.

In accordance with the terms of the Underwriting Agreement NEN has agreed to;

- (a) subscribe for and pay the subscription monies in respect of 375,000,000 Shares it is being offered under the Placement (**Placement Commitment**);
- (b) accept and pay the subscription monies for its full entitlement of 37,323,494 Shares under the Entitlement Issue (**Entitlement Issue Commitment**); and
- (c) irrevocable commit to underwrite 591,122,318 Shares (**Underwriting Commitment**), being the aggregate number of Shares offered under the Capital Raising, less the Placement Commitment and the Entitlement Issue Commitment.

In consideration for providing the Underwriting Commitment, the Company will issue to NEN the Underwriter Options, subject to Shareholder approval (approval which is being sought pursuant to Resolution 5).

NEN may at any time in its absolute discretion appoint sub-underwriters to sub-underwrite the Underwriting Commitment. NEN will ensure that no person will acquire, through participation in sub-underwriting the Underwriting Commitment, a holding of Shares or, increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Capital Raising or from a starting point of above 20% to a greater percentage on completion of the Capital Raising than was held prior to the Capital Raising.

The Underwriting Agreement is subject to certain termination events which are standard in the industry for agreements of this nature.

1.9 Effect on Capital Structure

The indicative effect of the Acquisition and the Capital Raising on the capital structure of the Company will be as follows:

Capital Structure	Shares	Options	Performance Shares
Current	737,927,748	15,000,000 ¹	62,500,000
Consideration Shares (Resolution 2)	1,000,000,000	Nil	Nil
Placement (Resolution 3)	450,000,000	Nil	Nil
Entitlement Issue	553,445,811	Nil	Nil
Introduction Shares (Resolution 4)	62,500,000	Nil	Nil
Underwriter Options (Resolution 5)	Nil	200,000,000 ²	Nil
TOTAL	2,803,873,559	215,000,000	62,500,000

Notes:

1. Options are exercisable at \$0.03 on or before 31 December 2019.
2. Underwriter Options are exercisable at \$0.01 expiring on or before the date which is two (2) years from their date of issue. Refer to Schedule 2 for full terms and conditions attaching to the Underwriter Options.

1.10 Pro Forma Statement of Financial Position

Set out in Schedule 3 is an unaudited and unreviewed pro forma balance sheet of the Company assuming that all Essential Resolutions have been passed and the Acquisition is complete.

The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

1.11 Indicative timetable

An indicative timetable for Settlement of the Acquisition and the associated transactions is set out below:

Item	DATE
ASX announcement of the Acquisition	Wednesday, 6 December 2017
Lodgement of the Notice of Meeting with ASX	Friday, 15 December 2017
Release of the disclosure document in respect of the Entitlement Issue on ASX	Friday, 15 December 2017
Dispatch of the Notice of Meeting	Friday, 22 December 2017
Closing date for the Entitlement Issue	Thursday, 18 January 2018
Shareholders meeting to approve the Acquisition	Tuesday, 23 January 2018
Completion of the Capital Raising	Thursday, 25 January 2018

Subject to the Listing Rules and the Corporations Act, the Directors reserve the right to extend the Closing Date for the Entitlement Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares offered under the Entitlement Issue.

1.12 Board Intention upon completion of the Acquisition

In the event that the Essential Resolutions are approved by Shareholders and upon completion of the Acquisition, the funds raised from the Capital Raising, together with the Company's existing cash reserves will be used to continue the Company's operations, which will include:

- (a) expenditure on both the Company's Existing Assets and the Hylea Project as set out in Sections 1.7 of this Notice;
- (b) pay the costs associated with the Acquisition and the Capital Raising; and
- (c) contribute to the administration and working capital of the Company.

1.13 Advantages of the proposals in the Essential Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) the Hylea Project contains Cobalt, Nickel, Platinum and Scandium mineralisation akin to nearby Sunrise (Clean Teq Holdings Limited ((ASX:CLQ)), Qwendale (Platina Resources Limited (ASX: PGM)), Flemington (Australian Mines Limited (ASX:AUZ)), Nyngan (Scandium International Mining Corporation TSX:SCY) and Homeville (Collerina Cobalt Limited (ASX: CLL));

- (b) the Hylea Project is located in Australia, a jurisdiction with a good track record for mining investment;
- (c) As highlighted in section 1.4, the Tenements have historical geological prospectivity for cobalt-dominant deposits;
- (d) the Hylea Project is prospective for cobalt mineralisation which compliments the Company's Existing Projects; and
- (e) the potential increase in market capitalisation of the Company following completion of the Acquisition and the Capital Raising may lead to increased coverage from investment analysts, access to improved equity capital market opportunities and increased liquidity which are not currently present.

1.14 Disadvantages of the proposals in the Essential Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Essential Resolutions:

- (a) current Shareholders will have their interest in the Company significantly diluted by the Acquisition and Capital Raising and any further equity raising undertaken by the Company (see further detail in Section 1.15.1 (a) below);
- (b) future outlays of funds from the Company may be required to further the exploration and development activities on the Tenements, which could lead to future potential dilution of current Shareholders voting power;
- (c) there is no guarantee that the Tenements will prove to be economically viable for the Company;
- (d) there is no guarantee that the price of Shares will not fall as a result of the Acquisition; and
- (e) current Shareholders will be exposed to additional risks associated with the Hylea Project as set out in section 1.15 below.

1.15 Risk Factors

Shareholders should be aware that if the Acquisition is approved and completed, the Company will be changing the nature and scale of its activities and will be subject to additional risks arising from the change in nature of the Company. The risks and uncertainties described below are not intended to be exhaustive. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company associated with the proposed Acquisition is set out below.

1.15.1 Risks relating to the change in nature and scale of activities

(a) Dilution Risk

On completion of the Acquisition and all issues of Shares and Options contemplated by this Notice (assuming no Options are exercised and no existing Shareholders participate in the Entitlement Issue), existing Shareholders will be significantly diluted. In this scenario, existing Shareholders will retain approximately 26.32% of the issued capital of the Company, with Providence Shareholder holding 35.66% of the Shares on issue, new investors under the Capital Raising holding 35.79% of the Shares on issue and Henconnor holding the remaining 2.23% of the Shares on issue.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Hylea Project.

(b) **Tenure, access and grant of applications**

The Tenements are subject to the applicable mining acts and regulations in New South Wales. The renewal of the term of a granted Tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in New South Wales and the ongoing expenditure budgeted for by the Company.

However the consequence of forfeiture or involuntary surrender of the Tenements for reasons beyond the control of the Company could be significant.

1.15.2 Industry Specific Risks

(a) **Exploration**

The Tenements which the Company proposes to acquire are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Cobalt Market**

Changes in the market price of cobalt, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition in the future, if and when the Company enters production. The Company's revenues, profitability and viability would depend on the market price of cobalt produced from the Company's Projects. The market price of cobalt is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for industrial products containing metals, cobalt production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of cobalt and other metals in response to any of the above factors, and global and regional political and economic factors.

Should the Company eventually enter a production phase, a decline in the market price of cobalt below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects.

(c) **Failure to satisfy Expenditure Commitments**

Interests in tenements in Western Australia and New South Wales are governed by the mining acts and regulations that are current in those states and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements and the Existing Assets if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) **Resource Estimates**

No JORC Code compliant mineral resources have been defined in respect of the Tenements in which the Company is proposing to acquire. In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Mine development**

Possible future development of mining operations at the Hylea Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on the Hylea Project, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Hylea Project.

The risks associated with the development of a mine will be considered in full should the Hylea Project reach that stage and will be managed with ongoing consideration of stakeholder interests.

(f) **Environmental**

The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) **Native title and Aboriginal Heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

1.15.3 General Risks

(a) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(b) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia and New South Wales may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(f) **Litigation Risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(h) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) General economic outlook.
- (ii) Introduction of tax reform or other new legislation.
- (iii) Interest rates and inflation rates.
- (iv) Changes in investor sentiment toward particular market sectors.
- (v) The demand for, and supply of, capital.
- (vi) Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(i) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Capital Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(j) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(k) **Agents and Contractors**

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

1.16 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

1.17 Plans for the Company if Resolutions not passed

If the Essential Resolutions are not passed and the Acquisition does not occur, the Company will continue its exploration activities on the Existing Assets and continue considering new potential business acquisitions to take the Company forward and provide value to Shareholders.

1.18 Directors Interests in the Acquisition

None of the Company's existing Directors have any interest in the proposed Acquisition, other than as disclosed in this Notice.

1.19 Providence Shareholder

The Providence Shareholders is not a related party or substantial holder of the Company and it has no existing interest in the Company's securities.

1.20 Conditionality of Essential Resolutions

Each of the Resolutions in this Notice of Meeting are Essential resolution and are conditional upon the approval by Shareholders of all other Essential Resolutions. Should any of the Essential Resolutions not be approved, the Company will not proceed with the Acquisition.

2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks approval from Shareholders for the Acquisition.

The Acquisition, if completed, will result in the Company acquiring 100% of the issued share capital of Providence, the legal and beneficial owner of the Hylea Project, as outlined in section 1.2 above.

A summary of the terms and conditions of the Acquisition Agreement is set out in Section 1.2, a detailed description of the Hylea Project is set out in 1.4 and a non-exhaustive list of risk factors for the Company associated with the proposed Acquisition is set out in section 1.15 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the official list of ASX.

ASX has indicated to the Company that the change in nature and scale of the Company's activities as a result of the Acquisition requires the Company in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Acquisition does not require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3.

Resolution 1 therefore seeks Shareholder approval pursuant to ASX Listing Rule 11.1.2 for the change in nature and scale of the Company which will occur as a result of the Acquisition.

3. RESOLUTION 2 – ISSUE OF CONSIDERATION SHARES

3.1 General

Resolution 2 seeks Shareholder approval for the issue of the 1,000,000,000 Consideration Shares to the Providence Shareholder pursuant to ASX Listing Rule 7.1.

The Company has received unconditional written confirmation from the ASX that it will impose mandatory escrow on the Consideration Shares for a period of 12 months from their date of issue, in accordance with clause 6 of Appendix 9B, on the basis that the Providence Shareholder holds the Providence Shares for its own benefit (as to 1/3) and under a bare trust arrangement for two individual beneficiaries (as to 1/3 in relation to each of them).

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

The effect of this Resolution will be to allow the Company 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.

3.2 Technical information required by ASX Listing Rule 7.1

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

- (a) 1,000,000,000 Consideration Shares will be issued;
- (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 ASX Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (c) the Consideration Shares will be issued for nil cash consideration as consideration for the Acquisition;
- (d) the Consideration Shares will be issued to the Providence Shareholder, in accordance with the Acquisition Agreement, none of whom are a related party of the Company;
- (e) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue, as the Consideration Shares will be issued in consideration for the Acquisition.

4. RESOLUTION 3 – ISSUE OF SHARES UNDER THE PLACEMENT

4.1 General

Resolution 3 seeks Shareholder approval for the issue of 450,000,000 Shares under the Placement at an issue price of \$0.004 per Share to raise \$1,800,000.

The Placement will be made to NEN (or its nominee) and Prenzler (or its nominee) in the following proportions;

- 375,000,000 Shares to NEN (or its nominee); and
- 75,000,000 Shares to Prenzler (or its nominee).

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Shares pursuant to the Placement 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.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) 450,000,000 Shares will be issued;
- (b) the 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 ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.004 per Share;
- (d) the Shares will be issued to NEN (or its nominee) and Prenzler (or its nominee), neither of which are related parties of the Company. Despite that fact that Director, Tim Kestell is also director and shareholder of NEN, he does not control NEN for the purpose of section 228 of the Corporations Act;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the Placement as set out in Section 1.7 of this Explanatory Memorandum.

5. RESOLUTION 4 – ISSUE OF INTRODUCTION SHARES

5.1 General

Resolution 4 seeks Shareholder approval for the issue of 62,500,000 Introduction Shares to Henconnor (or its nominee) in consideration for the introduction of the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Introduction 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.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Introduction Shares:

- (a) 62,500,000 Introduction Shares will be issued;
- (b) the Introduction 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 ASX Listing Rules) and it is intended that issue of the Introduction Shares will occur on the same date;
- (c) the Introduction Shares will be issued for nil cash consideration in consideration for the introduction of the Acquisition;
- (d) the Introduction Shares will be issued to Henconnor (or its nominee), which is not a related party of the Company;
- (e) the Introduction Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue, as the Introduction Shares will be issued in consideration for the introduction of the Acquisition.

6. RESOLUTION 5 – ISSUE OF UNDERWRITER OPTIONS

6.1 General

Resolution 5 seeks Shareholder approval for the issue of the 200,000,000 Underwriter Options to NEN (or its nominee) in consideration for underwriting the Capital Raising.

A summary of ASX Listing Rule 7.1 is set out in Section 3.1 above.

The effect of this Resolution will be to allow the Company to issue the Underwriter Options 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.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Underwriter Options:

- (a) 200,000,000 Underwriter Options will be issued;
- (b) the Underwriter 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 ASX Listing Rules) and it is intended that issue of the Underwriter Options will occur on the same date;
- (c) the Underwriter Options will be issued for nil cash consideration in consideration for NEN underwriting the Capital Raising;
- (d) the Underwriter Options will be issued to NEN (or its nominee), which is not a related party of the Company;
- (e) the Underwriter Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the issue, as the Underwriter Options will be issued in consideration for NEN underwriting the Capital Raising.

GLOSSARY

\$ means Australian dollars.

Acquisition means the acquisition by the Company of the Tenements, from Providence, pursuant to the Acquisition Agreement.

Acquisition Agreement means the binding terms sheet entered into by the Company, the Providence Shareholder, Providence and NEN pursuant to which the Providence Shareholder agreed to sell and the Company agreed to purchase 100% of the issued share capital in Providence, including the Assets.

ASIC means the Australian Securities & Investments Commission.

Assets means the Tenements and Mining Information.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising means the Placement and the Entitlement Issue.

Chair means the chair of the Meeting.

Company means Riva Resources Limited (ACN 119 992 175).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Disposal has the meaning given to it in Section 1.1 of the Explanatory Statement.

Entitlement Issue means the pro-rata entitlement issue at a ratio of three (3) Shares for every four (4) Shares held at an issue price of \$0.004 per Share to raise \$2,213,000 to be made to Shareholders whose registered address is in Australia, New Zealand or Hong Kong.

Essential Resolutions means Resolutions 1, 2, 3, 4 and 5.

Existing Assets means the Company's existing Tabac Project and Ashburton Project.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Henconnor means Henconnor Pty Ltd (ACN 090 975 947).

Mining Information means all mining information in the possession or control of the Providence and the Providence Shareholder as at settlement of the Acquisition which relates to the Tenements, including:

- (a) all surveys, maps, plans, geophysical plots (including magnetics and EM) and diagrams of the Tenements and adjacent areas;
- (b) all drill samples and ores, drilling locations and logs from drilling conducted on the Tenements or adjacent areas;
- (c) all assays, reports, microprobe data, sample and visible grain count listings, geological, geochemical and petrographic samples and reports of or with respect to ores extracted from or located upon the Tenements or adjacent areas; and
- (d) copies of or rights to (as applicable) all papers, notes, advices and reports extracted or compiled from or based upon the documents and items referred to above and all other data, specification records (in whatever form), reports, accounts and other documents or things and knowledge (whether reduced to writing or not) relating to the Tenements or adjacent areas, including, for the avoidance of doubt, all electronic formats of the same.

NEN means Neon Capital Ltd (ACN 002 796 974).

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Placement means the placement of 450,000,000 Shares to NEN and Prenzler at an issue price of \$0.004 to raise \$1,800,000.

Prenzler means Prenzler Group Pty Ltd (ACN 621 100 730).

Project or **Hylea Project** means the Hylea Project which is located within the boundaries of the Tenements.

Providence means Providence Metals Pty Ltd (ACN 612 933 981).

Providence Shareholder means the shareholder of Providence.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

Tenements means EL 8520 and EL 8641 located in New South Wales and set out in Schedule 1.

Underwriter Option means an option to acquire a Share with the terms and conditions set out in Schedule 2.

Underwriting Agreement means the agreement between NEN and the Company, under which NEN has agreed to fully underwrite the Capital Raising.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TENEMENTS

Tenement	Grant/ Application Date	Expiry Date	Status	Size	State	Registered Holder	Providence Legal/ Beneficial Ownership
EL8520	21/02/2017	21/02/2019	Granted	34.5km ²	NSW	Providence Metals Pty Ltd	100% legal and beneficial
EL8641	31/08/2017	31/08/2019	Granted	161km ²	NSW	Providence Metals Pty Ltd	100% legal and beneficial

SCHEDULE 2 – TERMS AND CONDITIONS OF UNDERWRITER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two (2) years after the date of their 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 Exercise Date, the Company will:

- (i) allot and 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;
- (ii) 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
- (iii) 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)(ii) 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) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

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

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – UNAUDITED AND UNREVIEWED PRO FORMA BALANCE SHEET

	Note	30 Jun 2017 Audited \$	30 Jun 2017 Pro-forma \$
CURRENT ASSETS			
Cash and cash equivalents	1	2,226,174	5,835,456
Trade and other receivables		82,489	59,998
TOTAL CURRENT ASSETS		2,308,663	5,895,454
NON CURRENT ASSETS			
Property, plant and equipment		26,214	26,214
Exploration and evaluation assets	2	785,745	9,041,658
TOTAL NON CURRENT ASSETS		811,959	9,067,872
TOTAL ASSETS		3,120,622	14,963,326
CURRENT LIABILITIES			
Trade and other payables		19,122	16,673
TOTAL CURRENT LIABILITIES		19,122	16,673
NON CURRENT LIABILITIES			
Other payables	3		3,700,000
TOTAL NON CURRENT LIABILITIES			3,700,000
TOTAL LIABILITIES		19,122	3,716,673
NET ASSETS (LIABILITIES)		3,101,500	11,246,653
EQUITY			
Contributed equity	4	33,148,376	41,412,159
Reserves		274,677	274,677
Accumulated losses		- 30,321,553	- 30,440,183
TOTAL EQUITY		3,101,500	11,246,653

NOTES TO PRO FORMA BALANCE SHEET

1	Cash & cash equivalents	
	Cash as at 13 Dec 2017	1,856,673
	Current outstanding creditors	- 35,000
	Placement	1,800,000
	Entitlement Issue	2,213,783
		<u>5,835,456</u>
2	Exploration and evaluation assets	
	Existing projects	791,658
	Add: Hylea Project	8,250,000
		<u>9,041,658</u>
3	Other Payables	
	Hylea Project Consideration	4,000,000
	Less: Initial Deposit Paid	- 300,000
		<u>3,700,000</u>
4	Contributed equity	
	Opening Balance	33,148,376
	Add: Consideration Shares and Introduction Shares	4,250,000
	Add: Placement	1,800,000
	Add: Entitlement Issue	2,213,783
		<u>41,412,159</u>

