

**NEW AGE EXPLORATION LIMITED**  
**ABN 65 004 749 508**

**NOTICE OF 2014 ANNUAL GENERAL MEETING**

Notice is given that the 2014 Annual General Meeting of New Age Exploration Limited ("the Company" or "New Age Exploration") will be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, 3000 on 21 November 2014 at 10.00am (Melbourne, Victoria time).

Further details in respect of each of the resolutions proposed in this Notice of Annual General Meeting are set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and form part of, this Notice of Annual General Meeting.

**BUSINESS**

**2014 Annual Financial Statements**

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

*"THAT the Company approves the adoption of the Remuneration Report for the year ended 30 June 2014".*

**Voting Prohibition Statement Note**

*A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:*

- (a) *a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) *a Closely Related Party of such a member.*

*However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:*

- (c) *the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or*
- (d) *the voter is the Chair and the appointment of the Chair as proxy:*
  - (i) *does not specify the way the proxy is to vote on this Resolution; and*
  - (ii) *expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

#### **Resolution 2 – Re-Election of Director - Mr Mike Amundsen**

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

*“THAT Mr Mike Amundsen, being a Director of the Company since re-election on 28 November 2012, who will retire at the close of the meeting in accordance with article 6.3(b) of the Company’s Constitution and ASX Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director of the Company.”*

#### **Resolution 3 – Ratification of prior issue of placement shares**

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

*“THAT for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 42,575,000 ordinary shares made to professional and sophisticated investors on 17 March 2014 to 14 May 2014 at a price of 4 cents (\$0.04) per share as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting. ”*

A voting exclusion statement in respect of this Resolution is set out below.

#### **Resolution 4 – Ratification of prior issue of placement shares**

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

*“THAT for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 2,500,000 ordinary shares made to Coal Industry Services Pty Ltd on 26 March 2014 at a price of 4 cents (\$0.04) per share as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting. ”*

A voting exclusion statement in respect of this Resolution is set out below.

#### **Resolution 5 – Ratification of prior issue of placement shares**

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

*“THAT for the purposes of ASX Listing Rule 7.4, shareholders ratify the prior issue of 3,650,000 ordinary shares made to Resource Capital Fund V L.P. on 11 April 2014 at a price of 4 cents (\$0.04) per share as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting. ”*

A voting exclusion statement in respect of this Resolution is set out below.

#### **Resolution 6 – Approval of Employee Share Option Plan (ESOP)**

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

*“THAT for the purposes of ASX Listing Rule 7.2 Exception 9, approval is given for the adoption of the Employee Share Option Plan to permit the Directors to authorise the issue of up to 5% of the Company’s issued capital by way of shares and options over shares to employees, consultants and officers of the Company.”*

A voting exclusion statement in respect of this Resolution is set out below.

#### **Resolution 7 – Approval of Placement Facility**

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

*“THAT, for the purposes of Listing Rule 7.1A, shareholders approve the Company having the capacity to issue fully paid ordinary shares in the capital of the Company up to the maximum number permitted under Listing Rule 7.1A at an issue price which is not less than 75% of the volume weighted average market (closing) price of the Company’s ordinary shares calculated over the last fifteen (15) days on which trades of the Company’s ordinary shares were recorded on ASX immediately before the date on which the issue price is agreed or the date*

*the issue is made as described in the Explanatory Memorandum which accompanied and formed part of the Notice of General Meeting.”*

A voting exclusion statement in respect of this Resolution is set out below.

**Voting Exclusion Statements - Resolutions 3, 4 and 5:**

*The Company will disregard any votes cast on Resolutions 3, 4 and 5 (respectively) by:*

- *a person who participated in the issue; and*
- *an associate of those persons.*

*However, the Company will not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *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.*

**Voting Exclusion Statement - Resolutions 6:**

*The Company will disregard any votes cast on Resolution 6 by:*

- *a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company);*
- *any associate of a Director of the Company.*

*However, the Company will not disregard a vote if:*

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**Voting Exclusion Statement – Resolution 7:**

*The Company will disregard any votes cast on Resolution 7 by:*

- *any person who may participate in the issue of Equity Securities under this Resolution and a 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 associates of those persons.*

*However, the Company will not disregard a vote if:*

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

By the order of the Board



Mr Adrien Wing

Company Secretary

Dated: 8 October 2014

The accompanying Explanatory Memorandum and the Proxy Form and Voting Instructions form part of this Notice of Meeting.

## PROXY AND VOTING INSTRUCTIONS

### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on 03 9614 5612 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy. In that case, your shares will not be voted on Resolution 1 (Remuneration Report) unless you direct the Chair how to vote by marking the appropriate box on the proxy form or otherwise indicate your express consent to the Chair voting your votes on Resolution 1.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00pm, 19 November 2014 (Melbourne, Victoria time) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### How the Chair Will Vote Undirected Proxies

The Chair of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions. However, any undirected proxies held by the Chair of the meeting will not be voted on Resolution 1 unless the express consent of the shareholder is given in the proxy appointment.

### Proxies that are Undirected on Resolution 1

If you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and do not either (a) direct the Chair how to vote on Resolution 1 or (b) provide your express consent to the Chair voting your undirected proxy on Resolution 1; the Chair will not vote your proxy on those items of business. Accordingly, if you appoint the Chair of the meeting as your proxy (or if he may be appointed by default) and you want your shares to be voted on that item of business, you should either (a) direct the Chair how to vote on Resolution 1 (Remuneration Report); or (b) tick the box on the proxy form to confirm your consent to the Chair voting your undirected proxy on Resolution 1.

Other directors of the Company, any other of its key management personnel or any of their closely related parties will not be able to vote undirected proxies held by them on Resolution 1. Key management personnel of the Company comprise the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The Remuneration Report identifies key management personnel for the year ending 30 June 2014. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

**NEW AGE EXPLORATION LIMITED**  
**ABN 65 004 749 508**  
("the Company")

**2014 ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PURPOSE OF INFORMATION**

This Explanatory Memorandum ("this Memorandum") accompanies and forms part of the Company's Notice of the 2014 Annual General Meeting to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, 3000 on 21 November 2014 at 10.00am (Melbourne, Victoria time). The Notice of 2014 Annual General Meeting incorporates, and should be read together with, this Memorandum.

**2014 Annual Financial Statements**

The 2014 Annual Financial Statements, comprising the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2014 will be laid before the meeting. There is no requirement for shareholders to approve the Annual Financial Statements. However, shareholders will have the opportunity to ask questions about or make comments on the 2014 Annual Financial Statements and the management of the Company. A representative of the auditor will be invited to attend to answer questions about the audit of the Company's 2014 Annual Financial Statements.

The Company's 2014 Annual Financial Statements are set out in the Company's 2014 Annual Report which can be obtained from the Company's website, [www.nae.net.au](http://www.nae.net.au), or upon request to the Secretary at the Company's registered office, Level 17, 500 Collins Street, Melbourne, Victoria, 3000 (telephone (03) 9620 9931).

**Resolution 1 – Adoption of Remuneration Report**

The Company is required, pursuant to the Corporations Act 2001, to propose a non-binding resolution regarding the Remuneration Report, which forms part of the Directors' Report in the Annual Financial Statements. The Remuneration Report sets out the Company's remuneration arrangements for directors.

Shareholders attending the 2014 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report. In addition, shareholders will be asked to vote on the Remuneration Report.

This resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings ("AGMs"), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2013 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2014 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2014 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more at the same resolution at the 2015 Annual General Meeting the consequences are that it may result in the re-election of the Board.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you mark the box on, and submit, the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration the Company's key management personnel. By marking the box on, and submitting, the Proxy Form you will be taken to have directed the Chair of the meeting to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to carefully read the Proxy Form.

#### **Resolution 2 – Re-Election of Director - Mr Mike Amundsen**

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of three, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has four directors, one of whom is the Managing Director. Accordingly, one director is required to retire by rotation at the 2014 Annual General Meeting.

Additionally, under ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment, or three years whichever is longer. A director who retires in accordance with these provisions is eligible for re-election.

Accordingly, Mr Mike Amundsen, who was last re-elected at the Company's 2012 Annual General Meeting, retires by rotation and, being eligible, offers himself for re-election.

The non-candidate directors unanimously support the re-election of Mr Mike Amundsen.

#### **Resolution 3 – Ratification of prior issue of placement shares**

Resolution 3 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 42,575,000 fully paid ordinary shares to exempt investors that are not related parties of the Company. The Placement was announced by the Company to ASX on 11 March 2014 and completed between 17 March 2014 and 14 May 2014, as described in the Company's Appendix 3B dated 11 March 2014. A list of the subscribers to the placement is as follows:

<b>Applicant</b>	<b>Shares</b>
Mr Glenn Connor	500,000
Mr Richard Burden	625,000
Merril Lynch (Australia) Nominees Pty Ltd	1,250,000
Fitel Nominees Limited	1,250,000
Fidelity Clearing Canada	250,000
Mr Adrien Wing & Mrs Michelle Wing	750,000
Citigroup Nominees Pty Ltd	625,000
Goldbend Super Pty Ltd	750,000
Mr Christopher Marshall	225,000
Mr Matthew Fifield	2,500,000
Resource Capital Fund V L.P.	21,350,000
Mr Chee Siew Yaw	12,500,000
<b>Total</b>	<b>42,575,000</b>

16,746,256 shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1 and 25,828,744 shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A, any equity securities issued under that additional placement capacity will not be counted in the variable upon which the 10% placement capacity is based until that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue). In addition, any equity securities issued under that additional placement capacity will reduce the balance of equity securities able to be issued under that additional capacity without prior shareholder approval unless that issue has been ratified under ASX Listing Rule 7.4 (or 12 months has passed since their issue).

By ratifying this issue, the Company will:

- (a) retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval; and
- (b) increase the variable upon which the 10% placement capacity is based and retain the flexibility to issue equity securities in the future up to the 10% placement capacity set out in ASX Listing Rule 7.1A without the requirement to obtain prior shareholder approval.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The total number of shares issued was 42,575,000 fully paid ordinary shares in the Company.
- (b) The price at which the shares were issued was 4 cents (\$0.04).
- (c) The shares have the same terms and rights as, and rank equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued to exempt investors that are not related parties of the Company.
- (e) Funds raised by the issue of shares will be applied to the development of the Company's existing projects and specifically the Lochinvar project and working capital.
- (f) A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

#### **Resolution 4 – Ratification of prior issue of placement shares**

Resolution 4 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 2,500,000 fully paid ordinary shares to Coal Industry Services Pty Ltd. The Placement was completed on 26 March 2014, as described in the Company's Appendix 3B dated 26 March 2014.

2,500,000 shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval;

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The total number of shares issued was 2,500,000 fully paid ordinary shares in the Company.
- (b) The price at which the shares were issued was 4 cents (\$0.04).
- (c) The shares have the same terms and rights as, and rank equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued to Coal Industry Services Pty Ltd who is not a related party of the Company.
- (e) Funds raised by the issue of shares will be applied to the development of the Company's existing projects and specifically the Lochinvar project and working capital.
- (f) A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

#### **Resolution 5 – Ratification of prior issue of placement shares**

Resolution 5 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 3,650,000 fully paid ordinary shares to Resource Capital Fund V L.P. The Placement was completed on 11 April 2014, as described in the Company's Appendix 3B dated 10 April 2014.

3,650,000 shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period. ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 (provided that the previous issue of securities did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity pursuant to ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval;

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- (a) The total number of shares issued was 3,650,000 fully paid ordinary shares in the Company.
- (b) The price at which the shares were issued was 4 cents (\$0.04).



- (c) The shares have the same terms and rights as, and rank equally with, the Company's existing listed fully paid ordinary shares.
- (d) The shares were issued to Resource Capital Fund V L.P. who is not a related party of the Company.
- (e) Funds raised by the issue of shares will be applied to the development of the Company's existing projects and specifically the Lochinvar project and working capital.
- (f) A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

#### **Resolution 6 – Approval of Employee Share Option Plan (ESOP)**

##### *Background*

The Company proposes to adopt an employee, consultant and officer share option plan ("Employee Plan") to foster an ownership culture within the Company and to encourage employees, consultants and officers to participate in the Company. The Employee Plan is regarded as an 'employee incentive scheme' for the purposes of ASX Listing Rule 7.2. Approval for the Employee Plan and any shares and options to be issued pursuant to the Employee Plan is sought pursuant to ASX Listing Rule 7.2 Exception 9.

The maximum number of shares and options which may be granted under the Employee Plan is 5% of the issued capital of the Company (on a post consolidation basis).

ASX Listing Rule 7.1 provides generally that a company may not issue shares or securities convertible into shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining prior shareholder approval, unless the issue fits within one of the exceptions to ASX Listing Rule 7.1 contained in ASX Listing Rule 7.2. The effect of passing this Resolution is that pursuant to ASX Listing Rule 7.2 Exception 9, shares and options issued pursuant to the Employee Plan will not be included in the 15% calculation for ASX Listing Rule 7.1 purposes (provided that the shares or options issued pursuant to Employee Plan are issued within three years of shareholder approval of the Employee Plan).

Accordingly, shareholder approval is sought pursuant to this Resolution in order for the Company to be able to issue shares and options pursuant to the Employee Plan and have those shares and options qualify under ASX Listing Rule 7.2 Exception 9 for three years from the date of shareholder approval of the Employee Plan.

##### *ASX Listing Rule 7.2 Exception 9*

The following information is provided for the purposes of ASX Listing Rule 7.2 Exception 9:

##### *(a) Outline of terms and conditions of Employee Plan*

Selected employees, consultants and officers of the Company are eligible to participate in the Employee Plan at the absolute discretion of the Company's Board of Directors ("Board"). Directors are not entitled to participate in the Employee Plan.

The aggregate number of shares and options which may be issued shall not at any time exceed 5% of the total number of the issued capital of the Company from time to time. Shares and options allotted and issued under the Employee Plan must rank equally in all respects with other shares and options from the date of allotment and issue, subject to the satisfaction of any applicable disposal restrictions.

The vesting date, expiry date, exercise price and exercise period in relation to an option issued under the Employee Plan are determined by the Board in its absolute discretion, subject to any variation as

permitted pursuant to the ASX Listing Rules.

The above is a summary only of the main features of the Employee Plan. A full copy of the Employee plan is annexed hereto as Annexure A.

*(b) Securities issued under the Employee Plan since the date of the last approval*

The Company has not issued any shares or options pursuant to the Employee Plan.

*(c) Voting exclusion*

A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

**Resolution 7 – Approval of Placement Facility**

Under ASX Listing Rule 7.1A, certain companies may seek shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities which do not exceed 10% of the existing ordinary share capital without further shareholder approval.

The Company obtained shareholder approval for the issue of ordinary shares under Listing Rule 7.1A at its 2013 Annual General Meeting and seeks to refresh this shareholder approval so as to continue to be able to issue ordinary shares under Listing Rule 7.1A following the 2014 Annual General Meeting.

If Resolution 7 is approved, the Company may make an issue of ordinary shares under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- the date which is 12 months after the date of the 2014 Annual General Meeting; or
- the date on which shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

Accordingly, the approval given if this Resolution 7 is passed will cease to be valid on the earlier of 20 November 2015 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rule 11.1.2 or 11.2.

At the date of this Memorandum, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Annual General Meeting the Company is no longer an eligible entity, this Resolution will be withdrawn.

The maximum number of ordinary shares which may be issued in the capital of the Company under the approval sought by this Resolution 7 will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

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

where:

- A is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the 12 months;

(iii) 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 ordinary shares under the entity's 15% placement capacity without shareholder approval);

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

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.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of Resolution 7 will be to allow the Company to issue ordinary shares under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at the date of this Memorandum, the Company has on issue 313,249,943 ordinary shares and therefore has capacity to issue:

- 46,987,491 equity securities under Listing Rule 7.1 (15% capacity); and
- subject to shareholder approval being sought under Resolution 7, **31,324,994** ordinary shares under Listing Rule 7.1A (10% capacity).

The actual number of shares which may be issued under Listing Rule 7.1A (and Listing Rule 7.1) will be a function of the number of shares on issue at the time an issue is proposed as calculated per the formula set out above.

The issue price of the ordinary shares issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the ordinary shares the subject of this Resolution 7 will be issued is 75% of the volume weighted average market (closing) price ("VWAP") of the Company's ordinary shares over the 15 days on which trades in that class were recorded immediately before either:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 ASX trading days of the date in paragraph (a), the date on which the securities are issued.

If this Resolution is approved, and the Company issues ordinary shares under Listing Rule 7.1A, the existing shareholders' voting power in the Company will be diluted. There is a risk that:

- the market price for the Company's ordinary shares may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- the ordinary shares issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to market price for the Company's ordinary shares on the issue date

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

The table set out below shows the dilution of existing shareholders on the basis of:

- The current market price of the Company's ordinary shares and the current number of

ordinary securities as at the date of this Memorandum.

- Two examples where the number of ordinary shares on issue (“A” in the formula set out above) has increased by: (1) 46,987,491 (being 15% of the number of ordinary shares on issue in the Company); and (2) 100% (i.e. a doubling of the number of ordinary shares on issue in the Company). The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, pro-rata entitlements issues) or as a result of future placements under Listing Rule 7.1 that are approved by shareholders.
- Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at the date of this Memorandum.

		Dilution			
		50% decrease in issue price (\$0.0075)	Issue Price **	50% increase in issue price (\$0.0225)	
Variable “A” Listing Rule 7.1A.2	“A” is the current number of shares on issue, being 313,249,943 shares	10% voting dilution	31,324,994 shares	31,324,994 shares	31,324,994 shares
		Funds raised	\$234,937	\$469,875	\$704,812
	“A” is increased by 46,987,491 shares resulting in a total of 360,237,434 shares.*	10% voting dilution	36,023,743 shares	36,023,743 shares	36,023,743 shares
		Funds raised	\$270,178	\$540,356	\$810,534
	“A” is increased by 100% (i.e. number of shares on issue is doubled from current position) to 626,499,886 shares.*	10% voting dilution	62,649,988 shares	62,649,988 shares	62,649,988 shares
		Funds raised	\$469,875	\$939,749	\$1,409,624

Notes:

- The table assumes that the Company issues the maximum number of ordinary shares available under Listing Rule 7.1A.
- The table assumes that no options are exercised in ordinary shares before the date of the issue of ordinary shares under Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of issues of ordinary shares under Listing Rule 7.1A based on that shareholder’s holding at the date of this Memorandum.
- The table shows the effect of an issue of ordinary shares under Listing Rule 7.1A, not under the Company’s 15% placement capacity under Listing Rule 7.1.

\* Any issue of ordinary shares is required to be made in accordance with the ASX Listing Rules. An issue made other than under the Company 15% capacity (Listing Rule 7.1) or the Company’s additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require shareholder approval.

\*\* Based on closing price of the Company’s shares on ASX on 2 October 2014 (1.5 cents).

If this Resolution is approved, the Company will have the ability to issue up to 10% of its issued capital without further shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Memorandum, the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the ordinary shares which will be determined at the time of issue. In some circumstances, the Company may issue ordinary shares under Listing Rule 7.1A for non-cash consideration (for example,

in lieu of cash payments to consultants, contractors or vendors). While the Company has not formed an intention to offer any ordinary shares under Listing Rule 7.1A, some of the purposes for which the Company may issue ordinary shares under Listing Rule 7.1A include (but are not limited to):

- raising funds to be applied to the Company's working capital requirements.
- acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets. If the Company elects to issue the ordinary shares for the purpose of acquiring assets, then the Company will release to the market a valuation of the assets prior to issuing the shares.
- paying contractors or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of ordinary shares under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- the potential effect on the control of the Company;
- the Company's financial situation and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing shareholders of the Company, clients of Australian Financial Service License holders and/or their nominees, or any other person to whom the Company is able to make an offer of ordinary shares.

The allocation policy the Company may adopt for a particular issue of ordinary shares under Listing Rule 7.1A and the terms on which those ordinary shares may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the ASX Listing Rules and the Corporations Act, the Directors reserve the right to determine, at the time of any issue of ordinary shares under Listing Rule 7.1A, the allocation policy the Company will adopt for that issue.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

The Directors of the Company believe that Resolution 7 is in the best interest of the Company and unanimously recommend that shareholders vote in favour of this Resolution.

A voting exclusion statement is contained in the Notice of General Meeting accompanying this Explanatory Memorandum.

**SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 8 NOVEMBER 2013**

Date <sup>1</sup>	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>2</sup>	Form of consideration
11 March 2014	42,575,000	Shares <sup>3</sup>	As described in Resolution 3 of this Notice of Meeting	4 cents (representing 13% discount to market)	<p>For Cash only</p> <p>Amount raised: \$1,703,000</p> <p>Amount spent = \$700,000</p> <p>Use of funds Issued for working capital purposes, including the development of the Lochinvar coking coal project, purposes pursuant to a private placement and to pay for costs of the offer.</p> <p>Amount remaining = \$1,003,000</p> <p>Proposed use of remaining funds<sup>5</sup> The development of the Company's existing assets and working capital.</p>
26 March 2014	2,500,000	Shares <sup>3</sup>	As described in Resolution 4 of this Notice of Meeting	4 cents (representing nil discount to market)	<p>For Cash only</p> <p>Amount raised: \$100,000</p> <p>Amount spent = \$Nil</p> <p>Use of funds Issued for working capital purposes, including the development of the Lochinvar coking coal project, purposes pursuant to a private placement and to pay for costs of the offer.</p> <p>Amount remaining = \$100,000</p> <p>Proposed use of remaining funds<sup>5</sup> The development of the Company's existing assets and working capital.</p>
10 April 2014	9,887,500	Shares <sup>3</sup>	As described in Resolution 5 of this Notice of Meeting (3,650,000 shares) and 6,237,500 shares were issued pursuant to the 2014 Share Purchase Plan	4 cents (representing nil discount to market)	<p>For Cash only</p> <p>Amount raised: \$395,500</p> <p>Amount spent = \$Nil</p> <p>Use of funds Issued for working capital purposes, including the development of the Lochinvar coking coal project, purposes pursuant to a private placement and to pay for costs of the offer.</p>

					Amount remaining = \$395,500  Proposed use of remaining funds <sup>5</sup> The development of the Company's existing assets and working capital.
1 August 2014	1,050,000	Unlisted options <sup>4</sup>	Mr Jon Reynolds (800,000) and Mr Damon Rhodes (250,000)	Nil consideration	Non-cash Consideration: Performance and incentive-based remuneration for services provided to the Company.  Current value of unlisted options <sup>6</sup> = \$14,700

**Notes:**

1. This is the date the Appendix 3B was announced to ASX. The date of issue may be different. Refer to Item 7 of the relevant Appendix 3B for the specific date of issue.
2. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table, the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: NAE (terms are set out in the Constitution).
4. Unquoted options, issued under the Company's Employee Share Option Plan. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 9 November 2011.
5. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.015) as the context requires on the ASX on 2 October 2014. In respect of unquoted Equity Securities, the value of unlisted options is measured using the Share Price on the measurement date, adjusted for market vesting conditions as required under Accounting Standard AASB 2 "Share-based Payment". The unlisted options are issued for nil consideration and no consideration will be payable upon the satisfaction of the vesting conditions (if applicable). Measurement inputs include the Share price on the measurement date, the term of the unlisted options, the probability of satisfying market conditions and the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information) of the unlisted options. No account is taken of any performance conditions included in the terms of the unlisted options other than market based performance conditions (i.e. conditions linked to the price of Shares).

## Annexure A

### Employee Share Option Plan Rules

New Age Exploration Limited  
ACN 004 749 508

### Employee Share Option Plan Rules

#### 1. INTRODUCTION

##### 1.1 Name of Plan

The Plan is called the New Age Exploration Limited Employee Share Option Plan.

##### 1.2 Objectives of the Plan

The objectives of the Plan are to provide the opportunity for Eligible Employees to share in the success of the Company and to attract and retain talented employees to ensure the continuing growth and success of the Company.

##### 1.3 Commencement of the Plan

The Plan will commence on the date determined by the Board.

#### 2. DEFINITIONS AND INTERPRETATION

##### 2.1 Definitions

In these Rules, unless the context requires otherwise:

- (a) **ASX** means ASX Limited [ABN 98 008 624 691].
- (b) **Board** means the board of directors of the Company from time to time.
- (c) **Bonus Issue** means a pro rata issue of Shares to holders of Shares for which no consideration is payable by them.
- (d) **Business Day** means a day on which trading banks are open for business in Melbourne excluding a Saturday, Sunday or public holiday.
- (e) **Cessation Event** in relation to a Participant means:
  - (i) The death of the Participant;
  - (ii) Resignation, redundancy or retirement of the Participant;
  - (iii) Termination of the Participant's employment with a Group Company (except for the purposes of the Participant taking employment with another Group Company);
  - (iv) Cessation of Participant as an Officer; or
  - (v) Such other circumstances as the Board may at any time determine.



- (f) **Change of Control** means a change in:
  - (i) Control of the composition of the Board; or
  - (ii) Control of more than half of the voting rights attaching to Shares.
- (g) **Company** means New Age Exploration Limited [ACN 004 749 508].
- (h) **Control** has the meaning given to it under the Corporations Act.
- (i) **Corporations Act** means the *Corporations Act 2001 (Cth)*.
- (j) **Eligible Employee** means a full time or part time employee, consultant or officer (including a director) of the Company or any other person determined by the Board from time to time to be eligible under the Plan or associated nominee.
- (k) **Exercise Notice** means a notice of exercise of Options, in a form approved by the Board from time to time.
- (l) **Exercise Price** means the exercise price for each Option determined by the Board and set out in an Offer.
- (m) **Expiration Date** means the earlier of:
  - (i) The date which is 5 years from the grant of an Option; or
  - (ii) Such other date as the Board determines in an Offer.
- (n) **Group Company** means the Company and any other company related to it by virtue of the Corporations Act.
- (o) **Issue Date** means the date the Option is issued to a Participant.
- (p) **Listing Rules** means the listing rules of the ASX.
- (q) **Offer** means an offer to an Eligible Employee by or on behalf of the Board to acquire Shares or Options under the Plan.
- (r) **Option** means a right to be issued one Share in the Company which is granted in accordance with these Rules.
- (s) **Option Certificate** means a certificate issued by the Company to a Participant setting out the number of Options issued to the Participant, the Issue Date and the Exercise Price.
- (t) **Participant** means an Eligible Employee who accepts an Offer or who holds a Share as a result of exercising an Option.
- (u) **Plan** means this New Age Exploration Limited Employee Share Option Plan as amended from time to time.
- (v) **Record Date** has the meaning given to it in the Listing Rules.
- (w) **Rules** means these Rules as amended from time to time.
- (x) **Share** means a full-paid ordinary share in issued capital of the Company issued in accordance with this Plan.

- (y) **Share Issue Cap** means the percentage of the total of all the Shares issued by the Company or determined by the Board from time to time, provided that this percentage does not exceed 5% of issued capital.
- (z) **Terms of Issue** means the terms and conditions attached to an Offer as determined by the Board in its sole discretion from time to time.
- (aa) **Vesting Schedule** means the vesting schedule set out in the Terms of Issue.

## 2.2 Interpretation

In these Rules unless the context otherwise requires:

- (a) Words denoting the singular include the plural and vice versa;
- (b) Words denoting an individual or persons include bodies corporate or incorporate and trusts and vice versa;
- (c) Wherever the word "include" appears in any form, it is to be construed as being followed by the words "without being limited to";
- (d) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (e) Where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) All references to Rules are to Rules of this Plan;
- (g) References to currency are to the currency of Australia;
- (h) Where the day on or by which something must be done is not a Business Day, that thing must be done on or by the following Business Day;
- (i) unless otherwise identified a word which is given a special meaning by the Corporations Act will where the context allows have the same meaning in this agreement; and
- (j) references to an act of parliament (or any regulation made subsidiary or pursuant thereto) include that act or regulation as amended or re-enacted from time to time and any act or regulation intended to replace any of, whether or not passed by the same parliament whether or not incorporating or adopting any act, rules or regulation passed by another parliament; and
- (k) A term or expression starting with a capital letter:
  - (i) Which is defined in Rule 2.1, has the meaning given to it in Rule 2.1; and
  - (ii) Which is defined in the Corporations Act but is not defined in Rule 2.1, has the same meaning as in the Corporations Act.

## 2.3 Rules to be Binding

The Plan:

- (a) Will operate in accordance with these Plan Rules; and
- (b) Binds each Group Company and each Participant.

**2.4 Offers must not breach law**

The following applies to the operation of the Plan:

- (a) An Offer may not be made to an Eligible Employee;
- (b) Options and/or Shares may not be awarded under the Plan;
- (c) Options and/or Shares awarded under the Plan may not be dealt with by the Participant; and
- (d) Options may not be exercised or Shares issued under the Plan,

if to do so would contravene the Corporations Act, the Listing Rules or any other applicable law.

**2.5 Share Issue Cap**

The Board may not:

- (a) Make an Offer to an Eligible Employee; or
- (b) Grant any Options or issue any Shares under the Plan,

if to do so would result in the aggregate of Shares, subject to Options granted and Shares being issued under the Plan and any other employee share plan operated by a Group Company, exceeding the Share Issue Cap.

**3. OFFER**

**3.1 Offer by Board**

Subject to these Rules, the Board may in its absolute discretion:

- (a) Determine which Eligible Employees are entitled to participate in the Plan from time to time; and
- (b) Make an Offer to selected Eligible Employees to apply for Shares and/or Options.

**3.2 Terms of Offer**

An Offer will be:

- (a) In writing; and
- (b) Subject to the Terms of Issue and any other conditions (if any) as the Board may determine in its absolute discretion from time to time.

**3.3 Acceptance of Offer**

- (a) To accept an Offer, the Eligible Employee must return a signed copy of their offer letter to the Board within 15 Business Days of the date of the Offer (or within such other period as determined by the Board and set out in the Offer).

(b) When the Board receives a signed copy of the offer letter in accordance with Rule 3.3(1), the Company will issue the relevant number of Shares and/or grant the relevant number of Options to the Participant and (if applicable) issue the Participant an Option Certificate as at the date of the Offer.

(c) On accepting an Offer, the Participant is bound by the Rules.

#### 3.4 Offer to be Personal

An Offer is personal to the Eligible Employee to whom it is made and Shares acquired under the Plan may be registered only in the name of the Eligible Employee (or their nominee) to whom the Offer is made.

#### 3.5 Replacement of Option Certificates

(a) If any Option Certificate is lost, stolen, damaged or destroyed, it may be replaced by the Company on such terms as to evidence, indemnity and security as the Company may reasonably require.

(b) The Participant will be liable for any expenses incurred in connection with the replacement of the Option Certificate.

### 4. VESTING OF OPTIONS

#### 4.1 Vesting Dates

Unless otherwise provided in an Offer, an Option held by a Participant will vest on the dates set out in the Vesting Schedule.

### 5. LAPSING OF OPTIONS

#### 5.1 Lapse of Options

(a) Each Option will lapse:

(i) On the Expiration Date if it has not been exercised by that date; and

(ii) Unless otherwise determined by the Board, and subject to clause 5.1(2), immediately, if a Cessation Event happens.

(b) All Options that are exercisable immediately before a Cessation Event happens must be exercised within 30 days from the happening of that Cessation Event. If a Cessation Event happens as a result of the death of a Participant and that Participant's Options are exercisable immediately prior to the date of death, the Participant's personal representative must exercise the Participant's Options within 12 months of the date of death.

#### 5.2 Return of Certificate

Where an Option lapses under Rule 5.1, the Participant must immediately return the Option Certificate to the Board for immediate cancellation.

### 6. EXERCISE OF OPTIONS

#### 6.1 Conditions Precedent to Exercise

The exercise of an Option is conditional on the Participant complying with Rule 6.2.

## 6.2 Manner of Exercise

A Participant may exercise his or her Options by lodging (or arranging for the lodgement) with the Board:

- (a) The Option Certificate;
- (b) A duly completed and signed Exercise Notice; and
- (c) An amount equal to the Exercise Price multiplied by the number of Options specified in the Exercise Notice.

## 6.3 Partial Exercise

Where a Participant only exercises part of that Participant's Options, the Company will cancel the original Option Certificate and issue the Participant with a new Option Certificate in respect of the remaining Options.

## 7. ISSUE OF SHARES UPON THE EXERCISE OF OPTIONS

### 7.1 Issue of Shares to Participant

- (a) Where a Participant exercises Options under Rule 6.2, the Company must issue the Participant with the number of Shares which corresponds with the number of Options exercised in accordance with Rule 6.2, together with the relevant Share Certificate.
- (b) Without limiting the discretion of the Company as to the way in which it will issue Shares under this Rule 7, the Company may:
  - (i) Issue Shares to a Participant; or
  - (ii) Procure the transfer of Shares to a Participant.

## 8. PLAN TO BE ADMINISTERED BY THE BOARD

### 8.1 Board to Administer

The Plan will be administered by the Board which has power to:

- (a) Determine the number of Shares and/or Options that will be offered and Exercise Price of the Options;
- (b) Determine appropriate procedures and make regulations and guidelines for the administration and operation of the Plan which are consistent with these Rules;
- (c) Exercise all powers and discretions vested in it under the Rules;
- (d) Resolve conclusively all questions of fact or interpretation arising from or in connection with the Rules;
- (e) Terminate or suspend the operation of the Plan at any time provided that the termination or suspension will not adversely affect the rights of Participants holding Options or Shares at that time;
- (f) Delegate such functions and powers as it may consider appropriate for the efficient administration of the Plan to any person or persons capable of performing those

functions and exercising those powers;

- (g) Take and rely upon professional expert advice in or in relation to, the exercise of any of its powers or discretions under these Rules; and
- (h) Administer the Plan in accordance with the Rules as and to the extent provided in the Rules.

## 8.2 **Board to have Discretion**

Where these Rules provide for a determination, decision or approval of the Board, such determination, decision or approval may be made or given by the Board in its absolute discretion.

## 8.3 **Powers to be exercised by the Board**

Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests, or for the benefit of the Company and the Board is not under any fiduciary or other obligation to any other person.

## 9. **CHANGE IN CIRCUMSTANCES**

### 9.1 **Amendment to Rules**

Subject to the requirements from time to time of the Corporations Act and the Listing Rules, including approval of the Company's shareholders, the Board may at any time amend any of these Rules or waive or modify the application of any of these Rules in relation to any Participant provided that any amendment does not adversely affect existing rights of any Options previously granted or Shares previously issued under the Plan.

### 9.2 **Change of Control of the Company**

Subject to the Participant's employment contract (if any) with the Company or a Group Company, the Board (pre Change of Control) will have the discretion to determine whether and when Shares will be issued and Options will vest and become exercisable on a Change of Control or a demerger of the Company (or as a result of a proposed Change in Control or demerger of the Company).

### 9.3 **Bonus Issues**

Subject to the Listing Rules, if there is a Bonus Issue to holders of Shares, the number of Shares and Shares over which an Option is exercisable will be increased by the number of Shares which a Participant would have received if the Shares had been issued or if the Option had been exercised before the Record Date for the Bonus Issue.

### 9.4 **Reconstruction of Capital**

In the event that, prior to the vesting of any Options or issue of Shares, there is a reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, then the number of Shares and Options to which each Participant is entitled will be reconstructed in the manner permitted by the Listing Rules (and the terms of Options including exercise prices will be changed to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation).

### 9.5 **Participation in New Issues**

Subject to the Listing Rules, a Participant is only entitled to participate (in respect of Options

awarded under the Plan) in a new issue of Shares to the existing shareholders generally if the Participant has validly exercised his or her Options and become a shareholder prior to the Record Date, and is then only entitled to participate in relation to Shares of which the Participant is the registered holder.

**9.6 Calculations**

Any calculations or adjustments which are required to be made under this Rule 9 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on Participants.

**9.7 Notification**

The Board must notify each Participant of any adjustments made to the number of Options and/or Shares held by that Participant within 10 Business Days of the date of the adjustment.

**10. RIGHTS OF PARTICIPANTS**

These Rules:

- (a) Do not confer on any Eligible Employee the right to be offered any Options or Shares;
- (b) Do not confer on any Participant the right to continue as an employee, executive or Officer of any Group Company; and
- (c) Do not affect the terms of any Participant's employment or engagement by the Company.

**11. GENERAL**

**11.1 Assignment**

The Options may not be assigned by a Participant to any person.

**11.2 Waiver of Terms and Conditions**

Notwithstanding any other provisions of the Plan, the Rules or the Terms of Issue, the Board may at any time waive in whole or in part any terms or conditions in relation to the Options awarded to any Participant.

**11.3 Non-residents of Australia**

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside of Australia to which Options awarded or Shares issued under the Plan may be subject to additional or modified terms.
- (b) Without limiting the powers of the Board under this Rule 11.3 (1), the Board may have regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Options.
- (c) Any additional rule must conform to the basic principles of the Plan.
- (d) When an Option is awarded or Shares are issued under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities,

exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Option.

**11.4 Communication**

Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the notice or communication by post or facsimile, in the case of a company to its registered office, and in the case of a Participant either to the Participant's last known address, or, to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment. Where notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission.

**11.5 Duties and Taxes**

- (a) The Company is not responsible for any duties or taxes which may become payable in connection with the issue and allotment of Shares pursuant to an exercise of the Options or any other dealing with the Options or Shares.
- (b) Eligible Employees should obtain their own independent advice of their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

**11.6 Governing Law**

These Rules are governed by and will be construed in accordance with the laws of Victoria, Australia under this Plan.

**11.7 Jurisdiction**

Each Participant:

- (a) Irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria, Australia which have jurisdiction to hear appeals from those courts; and
- (b) Waives any right to object to proceedings being brought in those courts for any reason.



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**NEW AGE EXPLORATION LIMITED**  
**ABN 65 004 749 508**  
**("the Company")**

**PROXY FORM**

Full name of securityholder(s): ..... Address: .....

I/We being a member/s of New Age Exploration Limited ("**Company**") and entitled to attend and vote at the meeting of the Company to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, 3000 on 21 November 2014 at 10.00am (Melbourne, Victoria time) appoint:

the Chair of the meeting. **OR**  .....  
 (mark box) (mark box) (Full name of proxy or the office of the proxy)

or if the person or body corporate named above fails to attend the meeting, or if no person/body corporate is named, the Chair of the meeting as my/our proxy to attend that meeting and vote on my/our behalf at that meeting and any adjournment or postponement of that meeting in accordance with the following directions (or if no directions have been given, as the proxy sees fit). If two proxies are appointed, the proportion of voting rights this proxy represents is .....%.

**IMPORTANT: Directing the Chair how to vote on Resolution 1 Only**

If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair of the meeting as your proxy you can direct the Chair how to vote on Resolution 1 by either marking the relevant boxes below (for example if you wish to vote "against" or "abstain" from voting) or by marking this box (in which case the Chair will vote in favour of Resolution 1). The Chair intends to vote all available proxies in favour of Resolution 1.

**I/We (except where I/we have indicated a different voting intention below):**

- a) direct the Chair of the meeting to vote in accordance with the Chair's voting intentions on Resolution 1 to vote in favour of these Resolutions.
- b) authorise, in respect of Resolution 1, the Chair of the meeting to vote as described even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel for the Company group; and
- c) acknowledge that the Chair of the meeting may exercise your proxy in respect of Resolution 1 even though the Chair has an interest in the outcome of that Resolution and that votes cast by the Chair of the meeting for that Resolution, other than as proxy holder, will be disregarded because of that interest.

**VOTING DIRECTIONS FOR YOUR PROXY**

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

**The Chair intends to vote undirected proxies in favour of all resolutions in which the Chair is entitled to vote.**

I/We direct my/our proxy to vote as indicated below:

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Mike Amundsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Employee Share Option Plan (ESOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If a person:  _____ Name (print)  _____ (Signature)  Date: ____/____/____	If a company:  EXECUTED by: _____ Name of company (print)  in accordance with the Corporations Act _____ (Signature) _____ (Signature)  Date: ____/____/____
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This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at:

- Level 17, 500 Collins Street, Melbourne, Victoria, 3000; or
- by facsimile on 03 9614 5612 by 10.00am (Melbourne time) on 19<sup>th</sup> November 2014, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.