



PILBARA MINERALS
LIMITED

PILBARA MINERALS LIMITED
ACN 112 425 788

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Banquet Hall South, University Club of Western Australia, Hackett Drive, Crawley, WA, 6009 on Thursday, 24 November 2016 at 10.00 am (WST).

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9336 6267.

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

PILBARA MINERALS LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Pilbara Minerals Limited (**Company**) will be held at the Banquet Hall South, University Club of Western Australia, Hackett Drive, Crawley, WA, 6009 on Thursday, 24 November 2016 at 10.00 am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 22 November 2016 at 4.00 pm (WST).

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

AGENDA

Annual Report

To consider the annual report of the Company and its controlled entities for the year ended 30 June 2016, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Remuneration Report

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Ken Brinsden as Director

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

"That, pursuant to and in accordance with article 13.4 of the Constitution and for all other purposes, Mr Ken Brinsden, who was appointed as Managing Director on 4 May 2016, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

3. Resolution 3 – Re-election of Mr Anthony Kiernan as Director

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 13.4 of the Constitution and for all other purposes, Mr Anthony Kiernan, who was appointed as a Director on 1 July 2016, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolution 4 – Re-election of Mr Steve Scudamore as Director

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 13.4 of the Constitution and for all other purposes, Mr Steve Scudamore, who was appointed as a Director on 18 July 2016, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

5. Resolution 5 – Re-election of Mr John Young as Director

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

"That, pursuant to and in accordance with article 13.2 of the Constitution and for all other purposes, Mr John Young, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

6. Resolution 6 – Appointment of Auditor

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

"That, pursuant to and in accordance with section 327B of the Corporations Act and for all other purposes, KPMG, having consented to act as the Company's auditor, is appointed as the Company's auditor on the terms and conditions in the Explanatory Memorandum."

7. Resolution 7 – Issue of Incentive Options to Mr Anthony Kiernan

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

"That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 8,000,000 Incentive Options to Mr Anthony Kiernan (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Anthony Kiernan and any of his associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

8. Resolution 8 – Issue of Incentive Options to Mr Steve Scudamore

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

"That, pursuant to and in accordance with Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of 2,000,000 Incentive Options to Mr Steve Scudamore (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Steve Scudamore and any of his associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (c) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or

- (d) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

9. Resolution 9 – Ratification of Prior Issue of Options

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 8,000,000 Options on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of that person.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

10. Resolution 10 – Increase in Directors' Fees

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

"That, pursuant to and in accordance with Listing Rule 10.17, article 13.8 of the Constitution and for all other purposes, the maximum total fees payable to non-executive Directors be increased from \$400,000 per annum to \$750,000 per annum on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director and any of their associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairperson 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or

- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Mr Alex Eastwood
Company Secretary and General Counsel
Dated: 4 October 2016

PILBARA MINERALS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

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

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3	Annual Report
Section 4:	Resolution 1 – Remuneration Report
Section 5:	Resolution 2 – Re-election of Mr Ken Brinsden as Director
Section 6:	Resolution 3 – Re-election of Mr Anthony Kiernan as Director
Section 7:	Resolution 4 – Re-election of Mr Steve Scudamore as Director
Section 8:	Resolution 5 – Re-election of Mr John Young as Director
Section 9:	Resolution 6 – Appointment of Auditor
Section 10:	Resolutions 7 and 8 – Issue of Incentive Options to Messrs Anthony Kiernan and Steve Scudamore
Section 11:	Resolution 9 – Ratification of Prior Issue of 8,000,000 Options
Section 12:	Resolution 10 – Increase in Directors' Fees
Schedule 1	Definitions
Schedule 2	Terms and Conditions of the Incentive Options
Schedule 3	Nomination of Auditor

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

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

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

Proxy Forms must be received by the Company no later than 10.00 am (WST) on Tuesday, 22 November 2016, being at least 48 hours before the Meeting.

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

2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.3 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)

A vote on Resolutions 7, 8 and 10 and must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on these Resolutions, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on these Resolutions; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on these Resolutions, but expressly authorises the Chairperson to exercise the proxy even if these Resolutions are connected with the remuneration of a member of the Key Management Personnel.

3. Annual Report

In accordance with Incentive 317(1) of the Corporations Act, the Annual Report must be laid before the Meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.pilbaraminerals.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Remuneration Report did not receive a Strike at the 2015 annual general meeting. Please note if the Remuneration Report receives a Strike at the Meeting and if a second Strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. Resolution 2 – Re-election of Mr Ken Brinsden as Director

Article 13.4 of the Constitution allows the Directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Ken Brinsden was appointed as Managing Director on 4 May 2016 as an addition to the Board. Resolution 2 provides that he retires from office and seeks re-election as a Director.

Details of the qualifications and experience of Mr Brinsden are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Brinsden) supports the re-election of Mr Brinsden and recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Mr Anthony Kiernan as Director

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the board of an ASX listed entity must not hold office (without re-election) past the next annual general meeting of the entity.

As detailed above, article 13.4 of the Constitution allows the Directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Anthony Kiernan was appointed as a Director on 1 July 2016 as an addition to the Board. Resolution 3 provides that he retires from office and seeks re-election as a Director.

Mr Kiernan is a highly experienced public company director and former solicitor who has extensive experience in the management and operation of listed public companies. Mr Kiernan is Chairman of the Fiona Wood Foundation which focuses on research into burn injuries. Other current directorships held by Mr Kiernan include the following entities which are listed on the ASX: Chalice Gold Mines Limited (since 2007) – Chairman; BC Iron Limited (since 2006) – Chairman; Danakali Limited (since 2013); Venturex Resources Limited (since 2010) – Chairman.

Mr Kiernan is a member of the Company's Audit and Risk Committee and Chairman of the Remuneration Committee.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

The Board (excluding Mr Kiernan) supports the re-election of Mr Kiernan and recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Re-election of Mr Steve Scudamore as Director

As detailed above:

- (a) in accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the board of an ASX listed entity must not hold office (without re-election) past the next annual general meeting of the entity; and
- (b) article 13.4 of the Constitution allows the Directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Steve Scudamore was appointed as a Director on 18 July 2016 as an addition to the Board. Resolution 4 provides that he retires from office and seeks re-election as a Director.

Mr Scudamore is a Chartered Accountant with a Master of Arts from Oxford University, a Fellow of the Institute of Chartered Accountants, England, Wales and Australia (FCA), a Fellow of the Institute of Company Directors (FAICD) and a Senior Fellow of the Financial Services Institute of Australia (SF Fin). His career includes 28 years as a partner at international accounting and financial services firm KPMG, where he served as a member of KPMG's Global Energy and Natural Resources Group, a Member of the KPMG Australian Corporate Finance Executive and Board, and Chairman of Partners in Western Australia. Other current directorships of Mr Scudamore include non-executive directorships with the following entities: Altona Mining Limited (since 2013); MDA National Insurance Pty Ltd (since 2012); Trustee of the Western Australian Museum (since 2006); Amana Living Incorporated (formerly Anglican Homes) (since 2010) – Chairman; Curtin University (since 2014) – Member of Council.

Mr Scudamore is Chairman of the Company's Audit and Risk Committee.

Resolution 4 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

The Board (excluding Mr Scudamore) supports the re-election of Mr Scudamore and recommends that Shareholders vote in favour of Resolution 4.

8. Resolution 5 – Re-election of Mr John Young as Director

Article 13.2 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded up to the nearest whole number) to retire at each annual general meeting.

A Director who retires under article 13.2 of the Constitution is eligible for re-election.

Resolution 5 therefore provides that Mr John Young retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Young are in the Annual Report.

Resolution 5 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 5.

The Board (excluding Mr Young) supports the re-election of Mr Young and recommends that Shareholders vote in favour of Resolution 5.

9. Resolution 6 – Appointment of Auditor

Effective on 10 June 2016, Somes Cooke resigned as auditor of the Company after receiving the consent of ASIC. The Board thanks Somes Cooke for its services provided as auditor of the Company.

The Company appointed KPMG as auditor to fill the casual vacancy on 15 June 2016. Under section 327C of the Corporations Act, the auditor of a company previously appointed to fill a casual vacancy holds office until the company's next annual general meeting. It is proposed that KPMG be reappointed as auditor of the Company pursuant to section 327B of the Corporations Act.

KPMG has consented to act in this capacity and all other requirements of the Corporations Act in relation to the appointment of an auditor have been, or, at the date of the Notice are being met.

In accordance with section 328B(1) of the Corporations Act, the Company has received a nomination from a Shareholder for KPMG to be appointed as the Company's auditor. A copy of the notice of nomination is included in Schedule 3.

If Resolution 6 is passed, the appointment of KPMG will take effect at the close of the Meeting.

Resolution 6 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 6.

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

10. Resolutions 7 and 8 – Issue of Incentive Options to Messrs Anthony Kiernan and Steve Scudamore

10.1 Background

In accordance with Listing Rule 10.11 and section 208 of the Corporations Act, Shareholder approval is required for the issue of securities to a related party.

Each of Messrs Anthony Kiernan and Steve Scudamore are Directors and are therefore related parties of the Company. They currently hold no Options.

Resolutions 7 and 8 seek Shareholder approval in accordance with Listing Rule 10.11 and section 208 of the Corporations Act for the grant of Incentive Options to Messrs Kiernan and Scudamore, respectively.

As part of their remuneration and for the purpose of aligning their interests with Shareholders, the Company proposes to issue 8,000,000 Incentive Options to Mr Kiernan (or his nominee) and 2,000,000 Incentive Options to Mr Scudamore (or his nominee) with an exercise price of \$0.626 each – representing a premium of 36.1% to the closing price of Shares on ASX of \$0.46 as at 3 October 2016. The Incentive Options to be issued to Mr Kiernan and Mr Scudamore will vest in three tranches:

- (a) 1/3rd - on the issue date;
- (b) 1/3rd - on 31 December 2017; and
- (c) 1/3rd - on 31 December 2018,

subject to Messrs Kiernan and Scudamore (as applicable) not having ceased to be a Director at the applicable vesting date.

The Board considers that the grant of Incentive Options to Messrs Kiernan and Scudamore is a cost effective and efficient reward for the Company to make to appropriately incentivise continued performance, and is consistent with the strategic goals and targets of the Company. It also allows the preservation of cash at a time when the focus of the Company is the development of the Pilgangoora Project.

Refer to Schedule 2 for further details of the terms and conditions of the Incentive Options.

Resolutions 7 and 8 are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 7 and 8.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolutions 7 and 8, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10.2 Directors' Recommendation

The Directors (other than Mr Kiernan) recommend that Shareholders vote in favour of Resolution 7.

Mr Kiernan has an interest in Resolution 7 and therefore believes it is inappropriate to make a recommendation.

The Directors (other than Mr Scudamore) recommend that Shareholders vote in favour of Resolution 8.

Mr Scudamore has an interest in Resolution 8 and therefore believes it is inappropriate to make a recommendation.

10.3 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Kiernan and Scudamore are related parties of the Company.

10.4 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2 (Exception 14), as Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

10.5 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Incentive Options will be granted to Messrs Anthony Kiernan and Steven Scudamore (or their respective nominees).

- (b) The maximum number of Incentive Options to be issued to Messrs Kiernan and Scudamore (or their respective nominees) is as follows:

Director (or nominee)	Number of Incentive Options
Mr Anthony Kiernan (or nominee)	8,000,000
Mr Steve Scudamore (or nominee)	2,000,000

- (c) The Company will issue the Incentive Options no later than one month after the date of the Meeting or such longer period of time as ASX allows.
- (d) Messrs Kiernan and Scudamore are Directors.
- (e) The Incentive Options will be granted for nil cash consideration. The exercise price of the Incentive Options will be \$0.626 per Incentive Option, being the volume weighted average price of Shares for the June 2016 quarter and representing a 36.1% premium to the closing price of Shares on ASX of \$0.46
- (f) The Incentive Options will vest in three tranches:
- (i) 1/3rd - on the issue date;
 - (ii) 1/3rd - on 31 December 2017; and
 - (iii) 1/3rd - on 31 December 2018,

subject to Messrs Kiernan and Scudamore (as applicable) not having ceased to be a Director at the applicable vesting date.

The full terms and conditions of the Incentive Options are detailed in Schedule 2.

- (g) No funds will be raised by the grant of the Incentive Options as they are being granted for nil cash consideration. However, upon their exercise, the Company will be entitled to additional cash reserves of \$6,260,000 should each Incentive Option be exercised at the exercise price of \$0.626.
- (h) The exercise price of each Incentive Option is higher than the Share price as at the date of the Notice. For Messrs Kiernan and Scudamore to realise any cash value in the future, the Share price will need to increase significantly such that it exceeds the exercise price of the Incentive Options, being \$0.626 per Share. This aligns the interests of Messrs Kiernan and Scudamore with those of Shareholders. To comply with Australian Accounting Standard requirements, the Board has undertaken an independent valuation of the Incentive Options as at 4 October 2016 using the Black Scholes valuation methodology which calculates an implied non cash value for each Incentive Option based on the Share price volatility, the risk free rate of return, the life of each Incentive Option, the Share price at the date of valuation and the Incentive Option exercise price. On the basis of the assumptions set out below the technical non-cash value of one Incentive Option is as follows:

Recipient	Number of Incentive Options	Value Per Incentive Option \$
Mr Kiernan	8,000,000	\$0.2738
Mr Scudamore	2,000,000	\$0.2738

This valuation will be allocated over the applicable vesting periods. The Black Scholes Pricing Model has been used to value the Incentive Options, with the following assumptions:

- (i) the risk free rate of 1.58% is the Reserve Bank of Australia's 3-year bond rate;
 - (ii) the underlying security spot price of \$0.49 used for the purposes of this valuation is based on the share price of the Company on the day of the valuation;
 - (iii) the estimated volatility used in the valuation is 100%;
 - (iv) for the purposes of the valuation, no future dividend payments have been forecast; and
 - (v) for the purposes of the valuation it is assumed that the Incentive Options will be issued on 24 November 2016 and the Incentive Options will have a life of 36 months from the commencement date.
- (i) Under the accounting standard AASB 2 share based payments, the Company will recognise a non-cash expense in the income statement based on the fair value of the options over the period from the date of issue to the vesting date. The total of the fair value of the Incentive Options issued will be allocated over the applicable vesting periods.
 - (j) The market price of Shares would normally determine whether or not Messrs Kiernan and Scudamore exercise the Incentive Options. If the Incentive Options are exercised at a price that is lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.
 - (k) Historical quoted price information for the Company's listed securities for the last twelve months is as follows:

Shares	Price	Date
Highest	\$0.87	11/05/2016
Lowest	\$0.22	21/12/2015
Last	\$0.48	04/10/2016

- (l) The exercise of the Incentive Options by Messrs Kiernan and Scudamore will result in a dilution of all other Shareholders' holdings in the Company of approximately 0.87% based on issued Shares as at the date of the Notice and approximately 0.79% on a fully diluted basis.
- (m) Mr Kiernan has an interest in Resolution 7 and therefore believes it is inappropriate to make a recommendation. Mr Scudamore has an interest in Resolution 8 and therefore believes it is inappropriate to make a recommendation.
- (n) A voting exclusion statement is included in the Notice for Resolutions 7 and 8.
- (o) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 7 and 8.

11. Resolution 9 – Ratification of Prior Issue of Options

11.1 General

On 16 May 2016, the Company issued 8,000,000 unlisted Options to parties who provided capital raising services to the Company.

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more 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.

Listing Rule 7.4 provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The effect of passing Resolution 9 will be to allow the Company to issue securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without obtaining prior Shareholder approval.

Resolution 9 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 9.

11.2 Specific information required by Listing Rule 7.5

In accordance with Listing Rule 7.5, information is provided in relation to the issue as follows:

- (a) **Shell Back Pacific Inc. Tranche 1**
 - (i) 1,000,000 Options were issued to Shellback Pacific Inc. on 16 May 2016.
 - (ii) The Options were issued for nil cash consideration. Accordingly, no funds were raised from the issue.
 - (iii) The Options have an exercise price of \$0.40 and have an expiry date of 16 May 2018.
- (b) **Shell Back Pacific Inc. Tranche 2**
 - (i) 2,000,000 Options were issued to Shellback Pacific Inc. on 16 May 2016.
 - (ii) The Options were issued for nil cash consideration. Accordingly, no funds were raised from the issue.
 - (iii) The Options have an exercise price of \$0.65 and have an expiry date of 16 May 2018.
- (c) **Foster Stockbroking Nominees Pty Ltd**
 - (i) 5,000,000 Options were issued to Shellback Pacific Inc. on 16 May 2016.
 - (ii) The Options were issued for nil cash consideration. Accordingly, no funds were raised from the issue.
 - (iii) The Options have an exercise price of \$0.65 and have an expiry date of 16 May 2018.

A voting exclusion statement is included in the Notice for Resolution 9.

11.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

12. Resolution 10 – Increase in Directors' Fees

12.1 General

In accordance with Listing Rule 10.17 and article 13.8 of the Constitution, the Company must not increase the total amount of non-executive Directors' fees payable by it and any of its child entities without Shareholder approval.

Listing Rule 10.17 also provides that the Notice must include the amount of the increase, the maximum amount that may be paid to the Directors as a whole, and a voting exclusion statement.

Resolution 10 seeks Shareholder approval for the increase the aggregate amount of fees available to be paid to non-executive Directors by \$350,000 from the current \$400,000 per annum to an aggregate amount of \$750,000 per annum.

The Board considers that it is reasonable and appropriate at this time in the Company's development to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) due to the expected growth of the Company and increased responsibilities for non-executive Directors;
- (b) non-executive Directors fees may in the future need to be increased to retain Directors;
- (c) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company; and
- (d) to remunerate Directors appropriately for the expectations placed upon them by both the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors has not been increased since 30 November 2015.

This proposed level of permitted fees does not mean that the Company must pay the entire amount approved as fees in each year. However, the Board considers that it is reasonable and appropriate to establish this amount as this will provide the Company with the flexibility to attract appropriately qualified non-executive Directors and to act quickly if the circumstances require it.

The remuneration of each Director for the year ended 30 June 2016 is detailed in the Annual Report or is included in this Explanatory Memorandum.

In the preceding three years, the following Securities have been issued to non-executive Directors pursuant to Listing Rule 10.11 or 10.14:

Non-executive Director	Shares	Options
Anthony Kiernan	Nil	Nil
Robert Adamson	1,244,335 Shares issued on 14/11/2013 ¹ 1,000,000 Shares issued on 3/4/2014 ²	2,000,000 Options with an exercise price of \$0.10 and an expiry date of 22 March 2017 2,000,000 Options with an exercise price of \$0.40 and an expiry date of 16 May 2018

Non-executive Director	Shares	Options
Steven Scudamore	Nil	Nil
Neil Biddle ³	746,601 Shares issued on 14/11/2013 ¹ 5,000,000 Shares issued on 14/11/2013 ⁴ 5,000,000 Shares issued on 3/4/2014 ²	8,000,000 Options with an exercise price of \$0.10 and an expiry date of 22 March 2017 8,000,000 Options with an exercise price of \$0.40 and an expiry date of 16 May 2018 100,000 Class A Convertible Notes and 3,333,333 Options with an exercise price of \$0.03 and an expiry date of 30 November 2015 – issued on 30 May 2014 ⁵

Notes:

1. Shares issued in lieu of Director fees - approved by Shareholders on 4 November 2013.
2. Participation in placement announced on 7 November 2013 and approved by Shareholders on 6 March 2014.
3. Neil Biddle was an Executive Director until 20 August 2016 and then reverted to a Non-executive Director from that date.
4. Participation in placement announced on 31 July 2013 and approved by Shareholders on 4 November 2013.
5. Participated in convertible note issue with attaching Options approved by Shareholders on 30 May 2014.

A voting exclusion statement is included in the Notice for Resolution 10.

The Chairperson intends to exercise all available proxies in favour of Resolution 10.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 10, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

12.2 Directors' Recommendation

The Directors (other than Mr Anthony Kiernan, Mr Robert Adamson, Mr Steve Scudamore and Mr Neil Biddle) recommend that Shareholders vote in favour of Resolution 10.

Schedule 1 – Definitions

In the Notice and this Explanatory Memorandum:

\$ means Australian dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2016.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Associates means the meaning given in section 12 of the Corporations Act.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairperson means the person appointed to chair the Meeting or any part of the Meeting.

Change of Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50% or more of the Shares; and
 - (ii) that takeover bid has become unconditional;
- (b) the announcement by the Company that:
 - (i) Shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement; or
- (c) the occurrence of any person (whether along or together with its Associates) becoming the legal or the beneficial owner of, or acquires a relevant interest in 50% or more of the Shares.

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business, and/or assets of the Company.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company or **Pilbara** means Pilbara Minerals Limited ACN 112 425 788.

Constitution means the constitution of the Company.

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

Directors mean the directors of the Company.

Directors' Report means the annual directors' report (prepared under chapter 2M of the Corporations Act) for the Company and its controlled entities.

Exercise Notice has the meaning given in part 7 of Schedule 2.

Exercise Period has the meaning given in part 3 of Schedule 2.

Exercise Price has the meaning given in part 1 of Schedule 2.

Expiry Date means, in respect of Incentive Options, the date that is 36 months from the date of issue.

Explanatory Memorandum means this explanatory memorandum.

Financial Report means the annual financial report (prepared under chapter 2M of the Corporations Act) of the Company and its controlled entities.

Incentive Option means an Option having the terms and conditions in Schedule 2.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

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

Notice means the notice of general meeting which this Explanatory Memorandum accompanies.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Memorandum.

Security has the meaning given in the Listing Rules.

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

Shareholder means a holder of a Share.

Trading Day has the meaning given in the Listing Rules.

Vesting Date means, in respect of an Incentive Option, any vesting date of that Incentive Option (as applicable) as specified in the terms and conditions in Schedule 2.

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

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

Schedule 2 – Terms and Conditions of Incentive Options

1. Exercise Price

Each Incentive Option shall have an exercise price of \$0.626 (**Exercise Price**).

2. Expiry Date

Each Incentive Option shall expire on the date that is 36 months from the date of issue.

3. Exercise Period and Vesting Dates

The Incentive Options are exercisable at any time during the period commencing on the applicable Vesting Date and ending on the Expiry Date (**Exercise Period**).

The Incentive Options to be issued to Mr Anthony Kiernan are subject to the following Vesting Dates:

Tranche	Number of Incentive Options	Vesting Dates
1	2,666,666	Date of issue
2	2,666,667	31 December 2017, subject to Mr Kiernan not having ceased to be a Director at that date.
3	2,666,667	31 December 2018, subject to Mr Kiernan not having ceased to be a Director at that date.

The Incentive Options to be issued to Mr Steve Scudamore are subject to the following Vesting Dates:

Tranche	Number of Incentive Options	Vesting Dates
1	666,666	Date of issue
2	666,667	31 December 2017, subject to Mr Scudamore not having ceased to be a Director at that date.
3	666,667	31 December 2018, subject to Mr Scudamore not having ceased to be a Director at that date.

4. Exercise of Incentive Options

The Incentive Options may only be exercised during the Exercise Period.

5. No Official Quotation of Incentive Options

The Company will not apply for official quotation of the Incentive Options.

6. Entitlement

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

7. Notice of Exercise

The Incentive Options may be exercised by giving written notice to the Company at any time during the Exercise Period. The notice (**Exercise Notice**) must:

- (a) specify the number of Incentive Options being exercised and the number of Shares to be issued;
- (b) specify whether the Shares are to be issued to the holder of the Incentive Options or a nominee; and
- (c) be accompanied by payment of the Exercise Price for each Incentive Option being exercised.

Any Exercise Notice in respect of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

8. Shares Issued on Exercise

Shares issued on exercise of Incentive Options rank equally with the Shares currently on issue.

9. Official Quotation of Shares on Exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options.

10. Timing of issue of Shares

- (a) Subject to paragraph 10(b), within three business days after the receipt of an Exercise Notice, given in accordance with these terms and conditions and payment of the Exercise Price for each Incentive Option being exercised, the Company will allot and issue the Shares pursuant to the exercise of the Incentive Options and will, at the same time, issue a cleansing notice under section 708A(5) of the Corporations Act.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, the Company must either:
 - (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (in which case the date for issuing those Shares may be extended to not more than 25 business days after the receipt of the Exercise Notice, to allow the Company time to prepare that prospectus); or
 - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

11. Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Incentive Options the opportunity to exercise its Incentive Options prior to the date for determining entitlements to participate in any such issue.

12. Adjustment for bonus issues of Shares

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

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

13. Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (except a bonus issue) the Exercise Price of an Incentive Option will be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Incentive Option.
- E = the number of underlying Shares into which one Incentive Option is exercisable.
- P = volume weighted average market price (as defined in the Listing Rules) per Share during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

14. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will, be varied to the extent necessary to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

15. Incentive Options Not Transferable

The Incentive Options are non-transferable.

16. Change of Control Event

Where a Change of Control Event has or, in the opinion of the Board, is likely to occur, the Board may in its absolute discretion determine the manner in which any or all of the Incentive Options will be dealt with including in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

17. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 3 – Nomination of Auditor

Starchaser Nominees Pty Ltd
A.C.N 077 612 698
ATF The AH & AMB Superannuation Fund
P.O. Box 3369
Broadway Nedlands W.A. 6009

30 September 2016

The Directors
Pilbara Minerals Limited
130 Stirling Hwy
North Fremantle WA 6159

Dear Sirs,

Nomination of Auditor

As a shareholder in Pilbara Minerals Limited, pursuant to Section 328B of the Corporations Act, we hereby nominate KPMG of 235 St Georges Terrace Perth, Western Australia to be appointed as auditor of the Company.

Yours faithfully,



Alan Boys
Director



Anne Boys
Director

PROXY FORM

The Company Secretary
Pilbara Minerals Limited

PILBARA MINERALS LIMITED
ACN 112 425 788

By delivery:

C/- Advanced Share Registry Limited
110 Stirling Hwy
NEDLANDS WA 6009

By post:

C/- Advanced Share Registry Ltd
PO Box 1156
NEDLANDS WA 6909

By facsimile:

+61 8 9262 3723

By email:

admin@advancedshare.com.au

Please mark to indicate your directions. Further instructions are provided overleaf.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/we being Shareholder/s hereby appoint:

The Chairperson
(mark box)

OR if you are NOT appointing the Chairperson as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy for the meeting to be held at the Banquet Hall South, University Club of Western Australia, Hackett Drive, Crawley, WA, 6009 on Thursday, 24 November 2016 at 10.00 am (WST), to act generally at the meeting on my/our behalf and to vote in accordance with the following directions or if no directions have been given, and to the extent permitted by law, as the proxy sees fit). If two proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

Important – If the Chairperson is your proxy or is appointed your proxy by default

The Chairperson intends to vote all available proxies in favour of all Resolutions. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to a Resolution, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on the Resolution even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel or a Closely Related Party of Key Management Personnel.

If the Chairperson is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he or she has an interest in the outcome of the Resolution/s and that votes cast by the Chairperson for those Resolutions other than as proxy holder will be disregarded because of that interest.

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

Step 2 – Instructions as to Voting on the Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Remuneration Report			
Resolution 2	Re-election of Mr Ken Brinsden as Director			
Resolution 3	Re-election of Mr Anthony Kiernan as Director			
Resolution 4	Re-election of Mr Steve Scudamore as Director			
Resolution 5	Re-election of Mr John Young as Director			
Resolution 6	Appointment of Auditor			
Resolution 7	Issue of Incentive Options to Mr Anthony Kiernan			
Resolution 8	Issue of Incentive Options to Mr Steve Scudamore			
Resolution 9	Ratification of Prior Issue of 8,000,000 Options			
Resolution 10	Increase in Directors' Fees			

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

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairperson intends to abstain from voting all available undirected proxies in relation to all Resolutions.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast two or more votes at the Meeting the Shareholder may appoint not more than two proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a power of attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: a director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Proxy Forms (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 deposited at or received by the Company (C/- Advanced Share Registry Limited PO Box 1156 Nedlands WA 6909, by facsimile (+61 8 9262 3723) or by email (admin@advancedshare.com.au) not less than 48 hours prior to the time of commencement of the Meeting.