

# ROX RESOURCES LIMITED

ABN 53 107 202 602

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## NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

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**Date of Meeting**

20 November 2014

**Time of Meeting**

10:30am WST

**Place of Meeting**

Presidents Room  
The Celtic Club (Inc)  
48 Ord Street  
West Perth WA 6005

**This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how you should vote at the Annual General Meeting, you should seek advice from your accountant, solicitor or other professional adviser without delay.**

# ROX RESOURCES LIMITED

(ABN 53 107 202 602)

## Notice of Annual General Meeting

**NOTICE IS GIVEN** that the 2014 Annual General Meeting of Rox Resources Limited (“**Company**”) will be held at the Presidents Room, The Celtic Club, 48 Ord Street, West Perth, Western Australia on 20 November 2014 at 10.30am (WST).

### AGENDA

#### ORDINARY BUSINESS

##### **Receipt of Financial Statements and Reports for the year ended 30 June 2014**

To receive and consider the annual financial statements of the Company together with the Directors' and Auditor's Reports for the year ended 30 June 2014.

##### **Resolution 1 - Adoption of the Remuneration Report**

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

*“That the Remuneration Report for the year ended 30 June 2014 be approved and adopted.”*

**Note:** The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

#### **Voting Exclusion Statement**

The Company will disregard any vote cast on Resolution 1 by, or on behalf of:

- (a) a member of the key management personnel as disclosed in the Remuneration Report (**Key Management Personnel**); and
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chairman as proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit, even though it is connected directly or indirectly with remuneration of the Company's key management personnel.

The Chairman intends to vote all available proxies in favour of Resolution 1.

##### **Resolution 2 – Re-Election of Mr Gresham as a Director**

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

*“That Mr Jeffrey Gresham, being a Director who retires by rotation in accordance with clause 13.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”*

##### **Resolution 3 – Ratification of Prior Share Issue**

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

*“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 24,662,791 Shares at an issue price of \$0.043 per Share, to the persons and on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of General Meeting.”*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 3 by a person (and any associates of such a person) who participated in the issue.

However, the Company need not disregard a vote cast on Resolution 3 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 Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 4 – Issue of Options to a Director – Mr Ian Mulholland**

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

*"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 10,000,000 Director Options to Mr Ian Mulholland or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

##### **Voting Exclusion Statement**

The Company will disregard any vote cast on Resolution 4 by Mr Mulholland and any associate of Mr Mulholland.

However, the Company need not disregard a vote cast on this resolution 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 chairman of 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.

In addition, a person appointed as a proxy must not vote (and the Company will disregard any such vote), on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

#### **Resolution 5 – Issue of Options to a Director – Mr Brett Dickson**

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

*"That for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to grant and issue 5,000,000 Director Options to Mr Brett Dickson or his nominee(s), on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

##### **Voting Exclusion Statement**

The Company will disregard any vote cast on Resolution 4 by Mr Dickson and any associate of Mr Dickson.

However, the Company need not disregard a vote cast on this resolution 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 chairman of 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.

In addition, a person appointed as a proxy must not vote (and the Company will disregard any such vote), on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

By order of the Board of Directors



**Brett Dickson**  
**Company Secretary**  
Date: 7 October 2014

## **Important information for Shareholders**

### **Explanatory Statement**

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. The glossary at the end of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

### **Required majorities**

All resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

### **Proxies**

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form or online proxy instructions must be received by **no later than 10.30am (WST) on Tuesday 18 November 2014**, being not less than 48 hours prior to the commencement of the meeting.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

### **Corporate representatives**

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company. An appointment form is included with the meeting materials.

### **Voting entitlements**

The Board has determined that, for the purpose of voting at the meeting, Shareholders are those persons who are the registered holders of the Company's shares at 4.00pm (WST) on Tuesday 18 November 2014.

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to consider the items of business contained in the accompanying Notice of Annual General Meeting of Rox Resources Limited ("**Rox**" or the "**Company**").

Certain defined terms are used throughout the Notice and this Explanatory Memorandum. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

### FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the Company to lay before the Annual General Meeting the Financial report, Directors' report (including the remuneration report) and the Auditor's report for the last financial year that ended before the Annual General Meeting.

The accounts are included as part of the 2014 Annual Report which is available on the Company's website at [www.roxresources.com.au](http://www.roxresources.com.au).

No resolution is required for this item, but Shareholders will be provided with a reasonable opportunity to ask questions or make comments in relation to these reports. The Company's auditor will also be present at the meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

### RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to Shareholders its Remuneration Report for the year ended 30 June 2014. The Company's Remuneration Report is set out in the Directors' Report section of the Company's Annual Report for the year ended 30 June 2014 and is also available on the Company's website ([www.roxresources.com.au](http://www.roxresources.com.au)).

By way of summary, the Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Directors and certain senior executives, sets out the remuneration details for those persons and any service agreements and sets out the details of any Share-based compensation.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, the Directors 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.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 1.

### RESOLUTION 2 - RE- ELECTION OF MR JEFFREY GRESHAM AS A DIRECTOR

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, must retire from office. Mr Gresham retires from office in accordance with this requirement and, being eligible, submits himself for re-election as a Director.

Mr Gresham is a geologist with a distinguished industry career of varied exploration, operational and corporate experience both in Australia and internationally spanning more than 40 years.

Previously he was Managing Director of Titan Resources, an active nickel explorer in Western Australia, and roles prior to that have included Managing Director of gold miner Wiluna Mines Limited, General Manager - Exploration for Homestake Gold of Australia, and several senior executive roles with Western Mining Corporation (WMC) including Chief Geologist of the Kambalda Nickel Operations, and Executive Vice President Exploration for WMC's Canadian subsidiary Westminster Canada Ltd.

Mr Gresham's extensive professional experience covers numerous mineral deposit types and he has authored a number of technical and professional papers on the Kambalda nickel deposits and the Olympic Dam copper-uranium deposit, and has a B.Sc (Hons) degree from the Victoria University, Wellington, New Zealand.

The Directors (other than Mr Gresham) recommend that Shareholders vote in favour of Resolution 2.

### **RESOLUTION 3 - RATIFICATION OF PRIOR SHARE ISSUE**

On 19 September 2014 the Company advised that it had agreed to place approximately 104.6 million shares at \$0.043 each to raise \$4.5 million before costs ("**Placement**"). The Placement was undertaken by lead manager Bell Potter Securities Limited to professional and sophisticated investors.

In summary, Listing Rule 7.4 allows a company to seek subsequent approval from shareholders for an issue of shares so that the issue of shares does not count towards the company's 15% Placement Capacity.

At a general meeting of shareholders on 5 September 2014, Shareholder approval was obtained under Listing Rule 7.1 for the issue of a maximum of 80,000,000 Shares. Pursuant to Resolution 3, the Directors are seeking ratification under Listing Rule 7.4 of the issue of 24,662,791 Shares that was made as part of the Placement in order to restore the right of the Company to issue further Shares within the 15% Placement Capacity during the next 12 months.

The following information in relation to this Resolution 4 is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) 100,662,791 Shares were issued on 26 September 2014 and 4,000,000 Shares were issued on 30 September 2014, of which 80,000,000 were approved by Shareholders at the meeting held on 5 September 2014 and approval is sought for the ratification of the remaining 24,662,791 Shares under Resolution 3.
- (b) The Shares were issued at a price of \$0.043 each.
- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares.
- (d) The Shares were issued to various institutional and sophisticated investors introduced by Bell Potter Securities Limited, each of them unrelated parties of the Company.
- (e) The funds raised from the Placement will be principally be used to fund continued exploration and development programs, principally at the Fisher East Nickel sulphide discoveries in Australia and to meet the expenses of the issue.

The Directors recommend that Shareholders vote in favour of Resolution 3.

### **RESOLUTIONS 4 AND 5 – APPROVAL OF GRANT OF DIRECTOR OPTIONS**

Shareholder approval is being sought under Resolutions 4 and 5 to grant a total of 15,000,000 Director Options to executive directors of the Company – Mr Ian Mulholland, the Managing Director (10,000,000 Director Options) and Mr Brett Dickson, the Finance Director (5,000,000 Director Options). Each Director Option will be exercisable at a 50% premium to the 30 day VWAP (for the 30 day period prior to the date of receiving shareholder approval) and will expire on or before 30 November 2017, subject to the following vesting conditions:

- a first tranche of 50% of the Director Options are only exercisable from 30 November 2015; and
- a second tranche of 50% of the Director Options are only exercisable from 30 November 2016.

The full terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Director Options is in acknowledgement of the increased workload placed on the Directors and designed to encourage them to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth, and prosperity of the Company through share ownership. Under the Company's current circumstances the Chairman Mr Gresham, who is not participating in the option issue, considers that the incentive intended for them, represented by the issue of these Director Options, is a reasonable, cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation or the award of share rights.

The number and exercise price of the Director Options to be granted has been determined based upon a consideration of:

- their cash remuneration as an Executive;
- the current competitive environment in the minerals industry for experienced professionals;
- the Directors' wish to ensure that the remuneration offered is competitive with the Company's peers. The Directors consider the proposed number of Director Options to be granted will ensure that overall remuneration is in line with market standards; and
- incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Over the last 12 month period, the highest closing price of Shares was \$0.06 on 24 April 2014 and the lowest closing price was \$0.025 on 7 November 2013. The closing price on 6 October 2014 was \$0.042. In respect of the Director Options to be granted, the exercise price will be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding 20 November 2014.

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

The grant of the Director Options constitutes a "financial benefit" as defined in the Corporations Act. Further, Mr Mulholland and Mr Dickson are related parties of the Company as defined under the Corporations Act because they are Directors. Accordingly, the proposed grant of Director Options to the Mr Mulholland and Mr Dickson pursuant to Resolutions 4 and 5 constitutes the provision of a financial benefit to a related party of the Company that requires Shareholder approval.

### **Information Requirements**

For the purposes of Section 219 of the Corporations Act the following information is provided to Shareholders.

#### ***The related party to whom the proposed resolution would permit the financial benefit to be given***

Subject to Shareholder approval the related parties to whom the proposed Resolution would permit the financial benefit to be given are Mr Ian Mulholland and Mr Brett Dickson, or their nominee(s). Both Mr Mulholland and Mr Dickson are Directors of the Company.

#### ***The nature of the financial benefit***

The proposed financial benefit to be given is the grant of Director Options for no monetary consideration to Mr Mulholland and Mr Dickson, or their nominee(s), as noted above. The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

#### ***Directors' recommendation***

Mr Mulholland and Mr Dickson have declined to make a recommendation to Shareholders in respect of Resolutions 4 and 5 due to the fact that they have a material personal interest in their outcome as it relates to the proposed grant of Director Options to them or their nominee(s).

Mr Jeffrey Gresham (who has no interest in the outcome of Resolutions 4 and 5) recommends that Shareholders vote in favour of Resolutions 4 and 5 as he believes it is both appropriate and reasonable to grant Mr Mulholland and Mr Dickson the Director Options in light of their expertise and experience and their contribution to the Company going forward. Given the reasons set out above, Mr Gresham is also of the view that value of the financial benefit is reasonable.

***Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors***

Resolution 4 and 5 would have the effect of giving authority to the Company to grant a total of 15,000,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has on issue 849,673,095 Shares, 550,000 unlisted options exercisable at \$0.047, 6,000,000 unlisted options exercisable at \$0.025, 1,250,000 unlisted options exercisable at \$0.057 and 21,437,301 unlisted options exercisable at \$0.08 on issue.

If all Director Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders and option-holders by approximately 1.7%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not Mr Mulholland and Mr Dickson exercise the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options.

At the date of this Notice Mr Mulholland has a relevant interest in 12,549,458 Shares and 2,500,000 options exercisable \$0.025 and Mr Dickson has an interest in 5,718,750 Shares and 2,500,000 options exercisable at \$0.025.

Mr Mulholland's and Mr Dickson's base salary and fees per annum and the total financial benefit to be received by them in this current period as a result of the grant of Director Options the subject of Resolution 4 and 5 are:

<b>Director</b>	<b>Base salary or fees p.a. (\$)</b>	<b>Superannuation p.a. (\$)</b>	<b>Value of Director Options (\$)</b>	<b>Total Financial Benefit (\$)</b>
Mr Ian Mulholland	275,229	25,461	230,000	530,690
Mr Brett Dickson	144,330	-	115,000	259,330

**Valuation of Director Options**

The Company has valued the Director Options to be granted to Mr Mulholland and Mr Dickson, or their nominee(s), using the Binomial Model. The value of an option calculated by the Binomial Model is a function of a number of variables. The Company's assessment of the value of the Director Options has been prepared using the following assumptions:

<b>Variable</b>	<b>Input</b>
Share price	\$0.042
Exercise price	\$0.063
Risk free interest rate	2.69%
Volatility	100%
Time (years) to expiry	3.0 years

For the purposes of this valuation the Company has assumed 30 November 2014 as the issue date of the Director Options. For the Share price, the Company has assumed \$0.042 as this the closing Share price on ASX on 6 October 2014. The Company has also assumed a volatility level of 100%. Taking these factors into account, the term of the Director Options (3.0 years) and its past Share prices the estimated value of one Director Option is 2.3 cents.

The estimated value of 15,000,000 Director Options proposed to be granted to Mr Mulholland and Mr Dickson pursuant to Resolutions 4 and 5 is \$345,000.

Pursuant to AASB2 Share-based Payments, equity based compensation will be recognised as an expense in respect of the services received. Other than as set out in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in granting the Director Options pursuant to Resolutions 4 and 5.

Apart from the information set out in this Explanatory Memorandum, neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions 4 and 5.

### **Listing Rule Requirements**

#### **Listing Rule 10.11**

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including the grant of options) to a related party of the Company. If Resolutions 4 and 5 are passed, the Director Options will be granted to Mr Mulholland and Mr Dickson, or their nominee. They are related parties of the Company by virtue of being Directors.

Accordingly, approval for the grant of the Director Options to Mr Mulholland and Mr Dickson is required pursuant to Listing Rule 10.11. Approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options to Mr Mulholland and Mr Dickson as approval is being obtained under Listing Rule 10.11. Shareholders should note that the grant of the Director Options to Mr Mulholland and Mr Dickson with approval under Listing Rule 10.11 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purpose of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Mr Ian Mulholland (10,000,000) and Mr Dickson (5,000,000) or their nominee(s);
- (b) the maximum number of Director Options to be granted is 15,000,000;
- (c) the Director Options will be granted on a date which will be no later than one month after the date of this Meeting;
- (d) the Director Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Director Options. Any funds raised from the exercise of the Director Options will be used to fund continued exploration and development programs, principally at the Fisher East Nickel sulphide discoveries in Australia; and
- (f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

## GLOSSARY

"**Annual General Meeting**" means the annual general meeting the subject of the Notice;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Chairman**" means the chairman of the Meeting;

"**Company**" means Rox Resources Limited ABN 53 107 202 602;

"**Constitution**" means the constitution of the Company;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a director of the Company;

"**Director Options**" means the Option to be issued to the executive Directors under Resolutions 4 and 5;

"**Explanatory Memorandum**" means the explanatory memorandum accompanying this Notice;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Meeting**" means the annual general meeting the subject of the Notice;

"**Notice**" means the notice of annual general meeting which accompanies this Explanatory Memorandum;

"**Option**" means an option to acquire a Share.

"**Resolution**" means a resolution proposed pursuant to the Notice;

"**Share**" means a fully paid ordinary share in the capital of the Company; and

"**WST**" means Western Standard Time.

## ANNEXURE A

### TERMS AND CONDITIONS OF DIRECTOR OPTIONS

1. No monies will be payable for the issue of the Director Options.
2. Subject to condition 16:
  - (a) 50% of the Director Options will become exercisable after 30 November 2015; and
  - (b) 50% of the Director Options will become exercisable after 30 November 2016.
3. The Director Options shall expire at 5.00pm (WST) on 30 November 2017 ("**Expiry Date**"). In addition the options (if not yet exercised) will automatically lapse should the executive director cease employment, for whatever reason, with the Company.
4. Subject to conditions 13 and 14 each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Subject to condition 12 the exercise price for each Director Option shall be a 50% premium to the volume weighted average closing Share price on the ASX over the 30 trading days preceding the date of shareholder approval for the grant of the Director Options ("**Exercise Price**").
6. Subject to condition 12 the Exercise Price of Shares the subject of the Director Options shall be payable in full on exercise of the Director Options.
7. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Director Options; and
  - (b) pay the Exercise Price in full for the exercise of each Director Option.The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.
8. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
9. Subject to the requirements of the Corporations Act 2011 (Cwlth), the Director Options shall be transferable only to related parties but will not be listed on the Australian Securities Exchange ("**ASX**").
10. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
11. The Company shall within five business days of any exercise of the Director Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Director Option

O = the old exercise price of the Director Option

E = the number of underlying securities into which one Director Option is exercisable

- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.
13. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
  14. In the event of any reconstruction ( including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
  15. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
  16. Notwithstanding condition 2, all Director Options may be exercised by the option holder:
    - (a) in the event a takeover bid (as defined in the Corporations Act 2001) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
    - (b) at any time after the occurrence of an event which results in a shareholder, or group of associated shareholders, being entitled to sufficient Shares to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the board of directors of the Company; or
    - (c) if a merger by way of scheme of arrangement under the Corporations Act 2001 has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

**Lodge your vote:**



**By Mail:**

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

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

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

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

┌ 000001 000 RXL  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 10.30am (WST) Tuesday, 18 November 2014

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

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

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

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

### Attending the Meeting

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

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

**Turn over to complete the form** →



View the annual report, 24 hours a day, 7 days a week:

**[www.roxresources.com.au](http://www.roxresources.com.au)**

To Review and update your securityholding:

**[www.investorcentre.com](http://www.investorcentre.com)**

**Your secure access information is:**

SRN/HIN: I999999999



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

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

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Rox Resources Limited hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Rox Resources Limited to be held at the Presidents Room, The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 20 November 2014 at 10.30am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4 and 5 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Gresham as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Options to a Director – Mr Ian Mulholland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to a Director – Mr Brett Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_

RXL

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Computershare +