

Red Emperor Resources NL  
ACN 124 734 961

## Notice of Annual General Meeting

Notice is given that the Meeting will be held at:

**Time:** 9:00am (WST)  
**Date:** 8 November 2019  
**Place:** Level 1, 35 Richardson Street,  
West Perth WA 6005

### **Important**

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 6 November 2019.

## Business of the Meeting

### Agenda

#### 1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

#### 2. Resolution 1 – Adoption of Remuneration Report

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 30 June 2019.”*

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

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

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

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

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

#### 3. Resolution 2 – Re-election of Director – Mr Jason Bontempo

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

*“That, for the purposes of clause 11.3 of the Constitution and for all other purposes, Mr Jason Bontempo, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

#### 4. Resolution 3 – Replacement of Constitution

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

*“That, in accordance with sections 136(2) and 136(1)(b) of the Corporations Act, and for all other purposes, approval be given for the repeal of the Company's existing Constitution and adoption of the Proposed Constitution as the Constitution of the Company.”*

#### 5. Resolution 4 – Approval of 10% Additional Placement Capacity

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

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time*

*of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

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

**Dated: 18 September 2019**

**By order of the Board**

**Aaron Bertolatti**  
**Director and Company Secretary**

## **Voting in person**

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

## **Voting by proxy**

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

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

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

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

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

## **United Kingdom (CREST Voting Instructions)**

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than 1 November 2019 at 4:00pm (GMT). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

**United Kingdom (Form of Instruction)**

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, by 1 November 2019 at 4:00pm (GMT).

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company by telephone on +61 8 9212 0102.**

## Explanatory Statement

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

### 1. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Annual Report is available on its website at [www.redemperresources.com](http://www.redemperresources.com).

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Annual Report and the management of the Company. Shareholders will also be given an opportunity to ask the auditor questions as permitted by the Corporations Act.

### 2. Resolution 1 – Adoption of Remuneration Report

#### 2.1 General

The Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The vote on Resolution 1 is advisory only and does not bind the Company or its directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the Directors' Report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the percentage of votes cast against the remuneration report considered at that annual general meeting was less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### **3. Resolution 2 – Re-election of Director – Mr Jason Bontempo**

#### **3.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Bontempo, who has served as a director since 24 January 2011 and was last re-elected on 22 November 2018, retires by rotation and seeks re-election.

#### **3.2 Qualifications and other material directorships**

Mr Bontempo has worked in investment banking and corporate advisory since qualifying as a Chartered Accountant with Ernst & Young in 1997. Mr Bontempo has worked for investment banks in Australia and the UK and has been closely involved with advising and the financing of companies in the resources industry specialising in asset sales and AIM / ASX listings. Mr Bontempo is also currently a director of Fin Resources Limited (ASX: FIN) and Odin Metals Limited (ASX: ODM).

#### **3.3 Independence**

If elected the Board considers Mr Bontempo will be an independent director.

#### **3.4 Board recommendation**

The Board (other than Mr Bontempo abstaining because of his interest in this Resolution) recommends that Shareholders vote FOR this Resolution.

### **4. Resolution 3 – Replacement of Constitution**

#### **4.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

Resolution 3 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed Australian public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2007.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available upon request to the Company (+61 8 9212 0102).

## **4.2 Summary of material proposed changes**

### **Restricted Securities (clause 2.12)**

ASX is proposing a number of rule changes to make aspects of the listing process and ongoing compliance with the listing rules more efficient for issuers and for ASX.

ASX is proposing to introduce a two-tier escrow regime where ASX can (and will) require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

Once the new listing rules come into effect, which is expected on 1 December 2019, a company cannot issue restricted securities unless the constitution includes the wording in clause 2.12 of the Proposed Constitution, which reflects the proposed amendments to ASX Listing Rule 15.12. Given the Company is already admitted to the official list of ASX, the circumstances in which the Company may issue restricted securities is limited, and would most likely relate to transactions requiring approval under ASX Listing Rule 10.1 or if the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules because of the application of ASX Listing Rule 11.1.3 (i.e. a significant change to the Company's nature or scale of activities).

### **Minimum Shareholding (clause 3)**

Clause 3 of the Constitution outlines how the Company can manage shareholdings which represent an "unmarketable parcel" of shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time.

The Proposed Constitution is in line with the requirements for dealing with "unmarketable parcels" outlined in the ASX Listing Rules such that where the Company elects to undertake a sale of unmarketable parcels, the Company is only required to give one notice to holders of an unmarketable parcel to elect to retain their shareholding before the unmarketable parcel can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Clause 3 of the Proposed Constitution outlines in detail the process that the Company must follow for dealing with unmarketable parcels.

### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to as "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### **Dividends (clause 22)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

### **Partial (proportional) takeover provisions (new clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption or last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended

provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

#### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

#### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
  - (i) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
  - (ii) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

#### Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the inclusion of the proportional takeover provisions in the Proposed Constitution is in the interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

## **5. Resolution 4 – Approval of 10% Additional Placement Capacity**

### **5.1 General**

ASX Listing Rule 7.1A provides that an “eligible entity” may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital at the time of issue calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (**Additional Placement Capacity**) without using that company’s existing 15% annual placement capacity granted under ASX Listing Rule 7.1 and without requiring further shareholder approval prior to the issue.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Placement Capacity if Shareholders approve Resolution 4. The Board unanimously recommend that Shareholders vote in favour of Resolution 4.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

## 5.2 Description of ASX Listing Rule 7.1A

### (a) Eligible entity

Under the ASX Listing Rules, an "eligible entity" is an entity which, as at the date of the relevant resolution, is not included in the S&P/ASX300 Index and has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million. As at the date of this Notice, the Company is an "eligible entity" as it is not included in the S&P 300 Index and has a current market capitalization of approximately \$5,252,928 (based on the number of Shares on issue and the closing price of Shares on ASX on 18 September 2019).

### (b) Special resolution

The Additional Placement Capacity requires shareholder approval by way of a special resolution at an annual general meeting. This requires at least 75% of the votes to be cast in favour of the resolution by members entitled to vote on the resolution.

### (c) Securities which may be issued under the Additional Placement Capacity

Under the Additional Placement Capacity, the Company must issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue one class of quoted Equity Securities, being fully paid ordinary shares (ASX Code: RMP).

### (d) Minimum issue price

The issue price of each Equity Security issued under the Additional Placement Capacity must be no less than 75% of the volume weighted average price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

- (i) the date on which the issue price is agreed for the securities under the Additional Placement Capacity; or
- (ii) if the securities are not issued under the Additional Placement Capacity within 5 ASX trading days of the date in paragraph (i) above, the date on which the securities are issued.

The Company will disclose this information when Equity Securities are issued under the Additional Placement Capacity.

### (e) Time period for issue

The Equity Securities may be issued under the Additional Placement Capacity during the

period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting; or
- (ii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the date of that approval, after which date, an approval under ASX Listing Rule 7.1A will cease to be valid,

**(Additional Placement Period).**

**(f) Dilution risks**

If Equity Securities are issued under the Additional Placement Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Placement Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 4 is approved); and
- (ii) the Equity Securities may be issued under the Additional Placement Capacity at a discount to the market price for those Equity Securities on the issue date,

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

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at 18 September 2019.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at 18 September 2019. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against market price as at 18 September 2019.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.005 50% decrease in Issue Price	\$0.01 Issue Price	\$0.015 50% increase in Issue Price
525,292,776 (Current Variable A)	<b>Shares issued - 10% voting dilution</b>	52,529,277 Shares	52,529,277 Shares	52,529,277 Shares
	<b>Funds Raised</b>	\$262,646	\$525,293	\$787,939

787,939,164 (50% increase in Variable A)	<b>Shares issued – 10% voting dilution</b>	78,793,916 Shares	78,793,916 Shares	78,793,916 Shares
	<b>Funds Raised</b>	\$393,970	\$787,939	\$1,181,909
1,050,585,552 (100% increase in Variable A)	<b>Shares issued – 10% voting dilution</b>	105,058,555 Shares	105,058,555 Shares	105,058,555 Shares
	<b>Funds Raised</b>	\$525,293	\$1,050,586	\$1,575,878

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 525,292,776 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 18 September 2019.
3. The Company issues the maximum possible number of Equity Securities under the Additional Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Placement Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(g) **Purpose of issue under Additional Placement Capacity**

The Company may issue Equity Securities under the Additional Placement Capacity for the following purposes:

- (i) to provide non-cash consideration for new asset purchases or investments; or
- (ii) to raise cash to fund:
  - (A) general working capital expenses;
  - (B) exploration activities associated with its current projects;
  - (C) repayment of debt; or
  - (D) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure requirements under ASX Listing Rules 7.1A.4 and 3.10.5A on issue of any Equity Securities issued pursuant to the approval sought by Resolution 4. If Equity Securities are issued for non-cash consideration, the Company will at the time of issue of the Equity Securities provide a valuation of the non-cash consideration that demonstrates that the issue price of the securities is at or above the minimum issue price, in accordance with the Note to ASX Listing Rule 7.1A.3. The Company intends to maintain the ability to issue securities under ASX Listing Rule 7.1A for non-cash consideration.

(h) **Allocation policy under Additional Placement Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Placement Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;
- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets.

(i) **Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2018 (**Previous Approval**).

The Company has issued 42,529,278 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 8 November 2018, the Company issued a total of 100,000,000 Shares and 6,000,000 Options which represents approximately 24% of the total diluted number of Equity Securities on issue in the Company on 8 November 2018, which was 441,292,776.

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

### **5.3 Description of ASX Listing Rule 7.1A**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## Glossary

**\$** means Australian dollars.

**Additional Placement Capacity** has the meaning in Section 5.1.

**Additional Placement Period** has the meaning in section 5.2(e).

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

**Annual Report** means the Directors' Report, the Financial Report and Auditor's Report in respect of the financial year ended 30 June 2019.

**ASIC** means the Australian Securities & Investments Commission.

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

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

**Company** means Red Emperor Resources NL (ACN 124 734 961).

**Constitution** means the Company's constitution.

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

**Directors** means the current 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.

**DI** means a depository interest representing a Share listed (or to be listed) on AIM, a market operated by the London Stock Exchange.

**DI Holder** means a DI holder.

**Equity Security** has the same meaning as set out in the ASX Listing Rules, being a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**GMT** means Greenwich Mean Time.

**Key Management Personnel** means a person 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.

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

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

**Optionholder** means a holder of an Option.

**Proposed Constitution** has the meaning given to it in Section 4.1.

**Proxy Form** means the proxy form accompanying the Notice.

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

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

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

## Schedule 1 – Issue of Equity Securities since 8 November 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 15 January 2019 Appendix 3B – 15 January 2019	100,000,000	Shares <sup>2</sup>	<p>Issued to certain new and existing institutional and sophisticated investor clients of Brandon Hill Capital and 708 Capital Pty Ltd.</p> <p>57,470,722 Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1</p> <p>42,529,278 Shares were issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.</p>	<p>\$0.05 per Share (discount of 18% to Market Price).</p> <p>Shares closed at \$0.059 on the last trading day prior to the issue.</p>	<p><b>Amount raised</b> = \$5,000,000  <b>Amount spent</b> = Nil  <b>Use of funds:</b> General working capital and ongoing appraisal activities in the Alaskan North Slope.</p>
Issue – 15 January 2019 Appendix 3B – 15 January 2019	6,000,000	Unquoted Options <sup>3</sup>	Issued to the Company's UK Broker, Brandon Hill Capital, and its Australian Broker and Corporate Adviser, 708 Capital Pty Ltd.	No issue price (non-cash consideration)	<p><b>Consideration:</b> Issued as consideration for stockbroking and advisory services related to the Company's placement announced to ASX on 8 January 2019.  <b>Current value</b><sup>4</sup> = \$8,317.30</p>

### Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: RMP (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.05 each, on or before 15 January 2022. The full terms and conditions of these Options are set out in the Company's notice of meeting for its general meeting held on 5 March 2019.
4. The value of unquoted Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).