

# RED EMPEROR RESOURCES NL

ACN 124 734 961

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at  
Level 1, 35 Richardson Street, West Perth, Western Australia  
on Monday 31 October 2016 at 9.30am (WST).

---

*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 accountant, solicitor or other professional adviser prior to voting.*

**Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9212 0102.**

# RED EMPEROR RESOURCES NL

ACN 124 734 961

---

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Shareholders of Red Emperor Resources NL (**Company**) will be held at Level 1, 35 Richardson Street, West Perth, Western Australia on Monday 31 October 2016 at 9.30am (WST) (**Meeting**).

DI Holders may attend the Meeting but will not be permitted to vote at the Meeting. For their votes to be counted DI Holders must submit their CREST Voting Instruction to the Company's agent by the required cut-off time set out in Section 1.3 below. Alternatively, DI Holders can vote using the enclosed Form of Instruction as per the instruction set out in Section 1.4 below.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, or Form of Instruction if you are a DI Holder, 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 29 October 2016 at 9.30am (WST).

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

## AGENDA

---

### 1. Annual Report

To table and 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.

---

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

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

*"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the 2016 Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

**Note:** The vote on Resolution 1 will be an advisory vote of Shareholders only, and will not bind the Directors or the Company.

**Voting Prohibition:** In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by, or on behalf of:

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

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

---

### 3. Resolution 2 – Re-election of Director – Mr Nathan Rayner

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

*"That Mr Nathan Rayner who retires in accordance with Article 11.3 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

---

### 4. Resolution 3 – 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, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue a number of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 3 by a person who may participate in the 10% Additional Placement Capacity issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

Dated 30 September 2016

**BY ORDER OF THE BOARD**



Aaron Bertolatti  
**Company Secretary**

# RED EMPEROR RESOURCES NL

ACN 124 734 961

---

## EXPLANATORY MEMORANDUM

---

### 1. Introduction

#### 1.1 General

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 1, 35 Richardson Street, West Perth, Western Australia on Monday 31 October 2016 at 9.30am (WST). DI Holders are able to attend the Meeting, but may not vote at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 1.2 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. Lodgment 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

#### 1.3 United Kingdom (CREST Voting Instruction)

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 28 October 2016 at 4.30pm (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.

## **1.4 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, 28 October 2016 at 4.30pm (GMT).

## **1.5 Annual Report**

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website [www.redemperorresources.com](http://www.redemperorresources.com) or by contacting the Company on +61 8 9212 0102.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2016;
- (b) ask questions or make comment on the management of the Company;
- (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 Chairman 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 adopted by 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 5 business days before the Meeting to the Company Secretary at the Company's registered office.

---

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

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 Chairman 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.

---

## **3. Resolution 2 – Re-election of Director – Mr Nathan Rayner**

Article 11.3 of the Constitution requires that one third of the Directors must retire at each annual general meeting.

Article 11.4 of the Constitution provides that a Director who retires under Article 11.3 is eligible for re-election.

Pursuant to these Articles, Mr Rayner will retire by rotation and seek re-election.

Mr. Rayner is a Petroleum Engineer with over 15 years of experience, specialising in managing technical teams, resource evaluations and developing gas projects globally. Mr. Rayner held the position of Evaluation Manager for Addax Petroleum Ltd, based in Geneva, managing its West African new discovery field development planning, appraisal programs and resource portfolio.

Mr. Rayner is currently the Chief Operating Officer of Sunbird Energy Limited (ASX: SNY) and is responsible for delivering the Full Field Development Plan for Sunbird Energy's Ibhuesi Gas Project. Prior to joining Sunbird Energy, Mr. Rayner held the position of Chief Operating Officer with Dart Energy Ltd, based in Singapore. As COO for Dart Energy, he had managerial, operational and technical responsibility for all international exploration, drilling and production activities in Europe, China, India and Indonesia. Mr Rayner is also currently a director of Orca Energy Limited (ASX: OGY).

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

---

## **4. Resolution 3 – Approval of 10% Additional Placement Capacity**

### **4.1 General**

Resolution 3, if passed, would give the Company additional capacity to issue or agree to issue Equity Securities (up to 10% of the Company's total fully paid ordinary securities on a 12 month look back basis), in addition to the 15% permitted under Listing Rule 7.1, without further member approval (**Additional Placement Capacity**).

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

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to be able to issue additional securities provided under Listing Rule 7.1A. No decision has been made by the Board to undertake any issue of securities if Shareholders approve Resolution 3. The Board believes that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 3.

### **4.2 Description of Listing Rule 7.1A**

(a) Additional Placement Capacity

Under Listing Rule 7.1A, an eligible entity may seek approval from members by special resolution at its annual general meeting to have the Additional Placement Capacity.

If approved, the Additional Placement Capacity will allow the Company for a period of 12 months from the date of the Meeting to issue or agree to issue Equity Securities equal to 10% of the number of total fully paid ordinary securities on issue (on a 12 month look back basis) on a non-pro rata basis.

(b) Eligible entity

Under the 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 has a market capitalisation of approximately \$8.1 million, so is an "eligible entity".

(c) 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.

(d) 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).

(e) Formula for calculating 10% Additional Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid ordinary securities that became fully paid ordinary securities in the 12 months;

(C) plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval,

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

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

(f) Minimum Issue Price

The issue price of each Equity Security issued under the Additional Placement Capacity must be no less than 75% of the VWAP for the securities in that class.

The VWAP is to be calculated over the 15 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 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.

(g) 10% Placement Period

Under Listing Rule 7.1A.1, the approval for the Additional Placement Capacity must be for a period (**Additional Placement Period**) commencing on the date of the Annual General Meeting and expiring on the earlier of:

- (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 Listing Rule 11.1.2 (significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), the date of that approval.

The Company will only issue the Equity Securities during the Additional Placement Period. The approval under Resolution 3 for the issue of Equity Securities will cease to be valid in the event that members approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(h) 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 Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 3 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 current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

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. 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 100% as against the current market price.

		<b>\$0.01</b>	<b>\$0.019</b>	<b>\$0.038</b>
<b>Number of Shares on Issue</b>	<b>Issue Price per Share</b>	<b>50% decrease in current issue price</b>	<b>Current issue price</b>	<b>100% increase in current issue price</b>
<b>425,292,776</b> <b>(Current)</b>	Shares issued	42,529,278	42,529,278	42,529,278
	Funds Raised	\$404,028	\$808,056	\$1,616,113
<b>637,939,164</b> <b>(50% increase)*</b>	Shares issued	63,793,916	63,793,916	63,793,916
	Funds Raised	\$606,042	\$1,212,084	\$2,424,169
<b>850,585,552</b> <b>(100% increase)*</b>	Shares issued	85,058,555	85,058,555	85,058,555
	Funds Raised	\$808,056	\$1,616,113	\$3,232,225

The examples in the above table are based on the following assumptions:

- (i) The Company issues Shares for cash under the Additional Placement Capacity and no other types of quoted Equity Securities.
  - (ii) 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%.
  - (iii) Other than as indicated in the table, the Company does not issue any additional Equity Securities during the Additional Placement Period.
  - (iv) The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the existing 15% placement capacity under Listing Rule 7.1.
  - (v) The table does not show an example of dilution that may be caused to a particular Shareholder based on that Shareholder's holding at the date of the Meeting.
  - (vi) No Options are exercised during the Additional Placement Period and before the date of the issue of the Equity Securities.
  - (vii) The issue price is \$0.019, being the closing share price of the Shares on ASX on 28 September 2016.
- (i) For what purpose will the Company issue Equity Securities?

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 ASX Listing Rules 7.1A.4 and 3.10.5A on issue of any Equity Securities issued pursuant to the approval sought by Resolution 3. 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 are 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.

- (j) What is the allocation policy?

The Company's allocation policy and the identity of the allottees 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 of the allocation policy and the identity of the allottees, the Company will have regard to the following considerations:

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

Allottees 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 allottees may be the sellers of those assets.

- (k) Details of approvals under Listing Rule 7.1A previously obtained by the Company

The Company has previously obtained Shareholder approval under Listing Rule 7.1A.

- (l) In accordance with Listing Rule 7.3 A.6 the Company has not issued any Equity Securities in the 12 months preceding the date of this Notice. In the 12 months preceding the date of this Notice of Meeting, as the Company has not completed any capital raisings, the Company has not raised any cash consideration.

- (m) 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 the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

---

## Schedule 1 - Definitions

---

**10% Additional Placement Capacity** has the meaning in Section 5.1.

**10% Placement Period** has the meaning in Section 5.2(g).

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

**Article** means an article of the Constitution.

**ASIC** means Australian Securities and Investments Commission.

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

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

**Board** means the board of Directors.

**Chairman** means the chairman 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 constitution of the Company.

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

**Director** means a director 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 Holder** means a DI holder.

**DI** means a depository interest representing a Share listed (or to be listed) on the AIM Market of the London Stock Exchange.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

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

**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.

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

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

**Notice** means this notice of meeting.

**Option** means an option which entitles the holder to subscribe for one Share.

**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 contained in this Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means volume weighted average price.

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

In this Notice, words importing the singular include the plural and vice versa.