ANGLO AUSTRALIAN RESOURCES NL
ACN 009 159 077

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

AND

PROXY FORM

Date of Meeting
27 November 2017

Time of Meeting
11:30am

Place of Meeting
The Celtic Club
48 Ord St,
West Perth Western Australia 6005

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.

The 2017 Annual Report may be viewed on the Company's website at www.anglo.com.au

ANGLO AUSTRALIAN RESOURCES NL

ACN 009 159 077

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Anglo Australian Resources NL (Company) will be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005 on 27 November 2017 at 11:30am for the purpose of transacting the following business.

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

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

2016 FINANCIAL STATEMENTS

To receive the financial statements of the Company for the year ended 30 June 2017, consisting of the annual financial report, the Directors' report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following advisory only resolution:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2017 Annual Report be and is hereby adopted."

Voting Prohibition: The Company will, in accordance with the Corporations Act, disregard any votes cast on Resolution 1 by a member of the key management personnel or a Closely Related Party of such a member. However, the Company will not disregard a vote if it is cast by a person as a proxy appointed in writing and the proxy specifies how that person is to vote on Resolution 1 and the vote is cast on behalf of that person.

2. RESOLUTION 2 – RE-ELECTION OF PETER STERN AS A DIRECTOR

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

"That, for all purposes, Peter Stern, who retires pursuant to Article 10.3 of the Company's Constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company."

3. RESOLUTION 3 – INCREASE IN NON-EXECUTIVE DIRECTORS' FEE POOL

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

"*That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of Directors' fees payable to non-executive Directors be increased by $100,000 from $200,000 to $300,000 per annum.*"

Voting Exclusion Statement: The Company will disregard any votes cast on this proposed resolution by a Director of the Company and any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

The Company will also disregard any votes cast on the proposed resolution by a member of the key management personnel of the Company's or a closely related party of any such member, as a proxy where the proxy appointment does not specify the way the proxy is to vote on this resolution unless 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.

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF SHARES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 125,000 Shares for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF SECURITIES

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,000,000 Options (exercisable at $0.08 each and expiring 30 November 2020) for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement: For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on Resolutions 4 - 5 by any person who participated in the issues and any of their Associates, unless 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 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).

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

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 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."

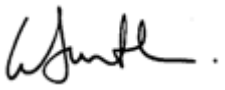
Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any Associates of those persons, unless 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.

A Proxy Form is attached.

To be valid, properly completed Proxy Forms must be received by the Company no later than 11:30am (WST) 25 November 2017 at:

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au



Graeme Smith
Company Secretary
Date: 26 October 2017

1. PROXIES

(a) A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

(b) A proxy may, but need not be, a Shareholder of the Company.

(c) The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

(d) The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

2. ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 4:00pm WST time on 25 November 2017 will be entitled to attend and vote at the AGM.

3. CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Anglo Australian Resources NL ACN 009 159 077 (Company) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Celtic Club 48 Ord St, West Perth Western Australia 6005, on 27 November 2017 commencing at 9:00am

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

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

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- adopting the Remuneration Report;
- re-electing Mr Peter Stern as a Director in accordance with the Company's constitution;
- approving an increase in directors' fees pool;
- approving the Company's 10% Placement Facility; and
- ratifying the issue of securities.

FINANCIAL AND OTHER REPORTS

As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2017 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

1. RESOLUTION 1 – REMUNERATION REPORT

1.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non–binding vote. The Remuneration Report contains:

(a) information about the Board's policy for determining the nature and amount of remuneration of the Directors and senior executives of the Company;

(b) a description of the relationship between the Company's remuneration policy and the Company's performance;

(c) a summary of performance conditions for each of the Directors and senior executives, including a summary of why they were chosen and how performance is measured against them; and

(d) remuneration details for each Director and for each of the Company's specified executives.

The Remuneration Report, which is part of the Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the Annual Report are available by contacting the Company's share register or visiting the Company's website www.anglo.com.au.

1.2 Voting on the Remuneration Report

In accordance with Section 250R(4) of the Corporations Act, a vote on the Remuneration Report Resolution must not be cast (in any capacity) by or on behalf of either the following persons:

(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 a member.

However, a person described above may cast a vote on the Resolution if:

(c) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the Remuneration Report Resolution; and

(d) the vote is not cast on behalf of the person described in paragraph (a) or (b) above.

The Chairman will cast available proxies in favour of Resolution 1.

Shareholders may choose to direct the Chairman to vote for or against Resolution 1 or to abstain from voting.

2. RESOLUTION 2 – ELECTION OF PETER STERN AS A DIRECTOR

2.1 General

Resolution 2 proposes the election of Mr Peter Stern as a Director of the Company with effect from close of the Meeting. In accordance with ASX Listing Rule 14.5, an election of directors must be held at each AGM of the Company.

The Company's Constitution also requires that one third of the Company's directors must retire at each AGM.

Accordingly, Mr Peter Stern will retire by rotation at this Meeting and, being eligible, offers himself for re-election.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

2.2 Director's Biography

Mr Stern is a graduate of Monash University with a Bachelor of Science (geology major). Mr Stern's career has been in corporate advisory, spending six years with Macquarie Bank and three years with both UBS and Deutsche Bank. In 2000, Mr Stern established Metropolis Pty Ltd, a corporate advisory firm specializing in M&A and capital raisings. Mr Stern is a Fellow of the Australian Institute of Company Directors. Mr Stern is Non-Executive Chairman of Troy Resources Limited and Non-Executive Director of Entek Energy Limited.

2.3 Directors' Recommendation

All the Directors, with the exception of Mr Stern, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3– INCREASE IN NON-EXECUTIVE DIRECTORS' FEE POOL

3.1 General

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the maximum aggregate amount of fees available to be paid to non-executive Directors under clause 10.12 of the Company's Constitution by $100,000 from $200,000 to $300,000 per annum.

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

(a) to give the Board strategic flexibility to appoint additional non-executive Directors;

(b) expected growth of the Company and increased responsibilities for non-executive Directors;

(c) non-executive Directors fees may in the future need to be increased to retain Directors;

(d) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company; and

(e) to remunerate Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate amount of fees payable to Directors has not been increased since 2009. It is not intended to fully utilise the increased aggregate amount of fees in the immediate future.

The total annual remuneration of the non-executive Directors for the financial year ended 30 June 2017 was $80,000 as detailed on page 22 of the Company's 2017 Annual Financial Report. This includes all Board and committee fees paid to non-executive Directors.

As from January 2017, the Board has resolved to set non-executive Director fees as follows:

Non-executive Directors = $50,000 (inclusive of statutory superannuation)

During the past 3 years, shareholders have approved the following securities issued to Directors under Listing Rule 10.11:

General Meeting held on 21 August 2017.

Shares and Options issued in lieu of Directors' fees and amounts owing:

Director	Number of Shares issued	Issue Price of Shares	Number of Options issued	Exercise Price of Options	Value of Options	Directors fees & amounts owing
John Jones	1,814,500	$0.04	3,550,000	$0.08	$0.02	$145,000
Peter Stern	883,000	$0.04	1,700,000	$0.08	$0.02	$70,000
Graeme Smith	883,000	$0.04	1,700,000	$0.08	$0.02	$70,000

General Meeting held on 25 August 2016.

Shares and Options issued in lieu of Directors' fees and amounts owing:

Director	Number of Shares issued	Issue Price of Shares	Number of Options issued	Exercise Price of Options	Value of Options	Directors fees & loans owing
John Jones	3,333,333	$0.012	6,500,000	$0.025	$0.01	$105,000
Peter Stern	1,666,667	$0.012	2,000,000	$0.025	$0.01	$40,000
Graeme Smith	833,333	$0.012	2,000,000	$0.025	$0.01	$30,000

Annual General Meeting held on 30 November 2015.

Options issued in lieu of Directors' fees owing:

Director	Number of Options issued	Exercise Price of Options	Value of Options	Directors fees owing
John Jones	23,200,000	$0.02	$0.004	$100,000
Peter Stern	7,000,000	$0.02	$0.004	$30,000
Graeme Smith	7,000,000	$0.02	$0.004	$30,000

Annual General Meeting held on 26 November 2014.

Shares and Options issued in lieu of Directors' fees and loans owing:

Director	Number of Shares issued	Issue Price of Shares	Number of Options issued	Exercise price of Options	Value of Options	Directors fees & loans owing
Peter Stern	Nil	N/A	6,100,000	$0.02	$0.0075	$45,750
John Jones	13,333,333	$0.015	16,200,000	$0.02	$0.0075	$300,000
Graeme Smith	666,666	$0.015	2,500,000	$0.02	$0.0075	$25,000

3.2 Directors' Recommendation

The Directors of the Company abstain from making a recommendation in relation to this Resolution.

4. RESOLUTION 4 – RATIFICATION OF ISSUE OF SHARES

4.1 General

On 31 July 2017, the Company issued 125,000 Shares at a deemed issue price of $0.04 per Share, under its 10% placement capacity under Listing Rule 7.1A.

It now seeks, pursuant to Resolution 4 of the Notice, to ratify the allotment and issue of those Shares.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rule 7.1A. Listing Rule 7.1A enables eligible entities to seek shareholder approval at an annual general meeting to enable the Company to issue an additional 10% of its issued capital without shareholder approval in the 12 month period following the meeting. Shareholders approved this at the Company's Annual General Meeting held on 29 November 2016. Listing Rule 7.4 permits the ratification of previous issues of shares made without prior shareholder approval, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1 or 7.1A.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 and 10% under Listing Rule 7.1A without requiring shareholder approval.

Accordingly, Resolution 4 seeks Shareholder ratification of the issue of 125,000 Shares to restore the ability of the Company to issue further Shares within the 10% limit under Listing Rule 7.1A, during the next 12 months. The Company confirms that the issue and allotment of the Shares the subject of Resolution 4 did not breach Listing Rule 7.1 or Listing Rule 7.1A.

4.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

a) 125,000 Shares were allotted and issued by the Company;

b) the deemed issue price per Share was $0.04;

c) the Shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary Shares on issue;

d) the Shares were issued to Pubmate Australia Pty Ltd who are not a related party of the Company;

e) No funds were raised from the issue of the Shares as the issue was for the provision of services worth $5,000; and

f) a voting exclusion statement is included in the Notice.

4.3 Directors' Recommendation

The Directors of the Company believe that Resolution 4 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – RATIFICATION OF ISSUE OF SECURITIES

5.1 General

On 18 September 2017, the Company issued 2,000,000 Options exercisable at $0.08 each and expiring on 30 November 2020, under its 15% placement capacity under Listing Rule 7.1.

It now seeks, pursuant to Resolution 5 of the Notice, to ratify the allotment and issue of those Options.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1.

The effect of such a ratification is to restore a company's discretionary power to issue further shares up to 15% of the issued capital of the company under Listing Rule 7.1 without requiring shareholder approval.

Accordingly, Resolution 5 seeks Shareholder ratification of the issue of 2,000,000 Options to restore the ability of the Company to issue further Shares within the 15% limit under Listing Rule 7.1, during the next 12 months. The

Company confirms that the issue and allotment of the Shares the subject of Resolution 5 did not breach Listing Rule 7.1.

5.2 Information required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

a) 2,000,000 Options with an exercise price of $0.08 and an expiry date of 30 November 2020 were allotted and issued by the Company on 18 September 2017. The full terms and conditions of the Options are included in Annexure A to this Explanatory Memorandum;

b) the deemed issue price, as calculated using a Black Scholes Option pricing model, per Option was $0.0204;

c) the Options were issued to:

Name	Options
Edward Baltis	1,000,000
Terra Resources Pty Ltd	500,000
John Chellew	500,000

(e) who are not related parties of the Company;

d) No funds were raised from these issues. If the Options are exercised, the funds raised will be put towards the Company's working capital requirements; and

e) a voting exclusion statement is included in the Notice.

5.3 Directors' Recommendation

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

(i) Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(ii) The Company, as at the date of the Notice, has on issue two classes of Equity Securities, being listed Shares and unlisted Options.

(c) Formula for calculating 10% Placement Facility

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

(A x D) – E

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

(i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(ii) plus the number of partly paid shares that became fully paid in the 12 months;

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

(iv) less the number of fully paid 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.

(d) Listing Rule 7.1 and Listing Rule 7.1A

(i) 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.

(ii) At the date of this Notice, the Company has on issue 280,893,922 Shares. If Resolutions 4 & 5 are passed, the Company will have a capacity to issue:

A. 42,134,088 Equity Securities under Listing Rule 7.1; and

B. 28,089,392 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

(i) the date that is 12 months after the date of the AGM at which the approval is obtained; or

(ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (10% Placement Period).

6.3 Listing Rule 7.1A

(a) The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

(b) Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Convertible Securities, only if the Convertible Securities are converted into Shares). There is a risk that:

(i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the meeting; and

(ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

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

(c) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table.

The table below 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 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 entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' 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.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		$0.042 50% decrease in Issue Price	$0.084 Issue Price	$0.168 100% increase in Issue Price
Current Variable A	10% voting dilution	28,089,392	28,089,392	28,089,392
280,893,922 Shares	Funds raised	$1,179,754	$2,359,509	$4,719,018
50% increase in current Variable A	10% voting dilution	42,134,088	42,134,088	42,134,088
421,340,883 Shares	Funds raised	$1,769,632	$3,539,263	$7,078,527
100% increase in current Variable A	10% voting dilution	56,178,784	56,178,784	56,178,784
561,787,844 Shares	Funds raised	$2,359,509	$4,719,018	$9,438,036

The table has been prepared on the following assumptions:

(i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

(ii) No Convertible Securities (including any Convertible Securities issued under the 10% Placement Facility) are converted into Shares before the date of the issue of the Equity Securities.

(iii) 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%.

(iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of this Meeting.

(v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(vii) The issue price is $0.084, being the closing price of Shares on the ASX on 20 October 2017.

(viii) Ratification of the Securities, the subject of Resolutions 4 & 5, is assumed to have occurred.

(d) The Company will only issue and allot the Equity Securities during the Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(e) The Company may seek to issue the Equity Securities for the following purposes:

(i) cash consideration. In such circumstances, the Company intends to use the funds raised towards exploration expenditure and/or general working capital; or

(ii) non-cash consideration for the acquisition of new resources, assets, investments and the provision of services. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities

will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

(i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;

(ii) the effect of the issue of the Equity Securities on the control of the Company;

(iii) the financial situation and solvency of the Company; and

(iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

(f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2016 Annual General Meeting on 29 November 2016.

In accordance with Listing Rule 7.3A.6 the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting is 67,854,231 representing 22% of the Equity Securities on issue at the commencement of the 12 month period.

The Company has issued the following Equity Securities in the 12 months preceding the date of this Notice of Meeting:

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Current Value of consideration	Allottee
8 Dec 2016	3,000,000	Option[1]	$0.014 (deemed)	Nil	$43,000 (non cash)	E Baltis, Terra Resources Pty Ltd , G Sakilidis (Options in consideration for technical services provided)
13 Jan 2017	281,250	ORD	$0.016	Nil	$4,500	A Barclay & Assoc.
10 Mar 2017	32,423,500	ORD	$0.02	Nil	$648,470	Sophisticated investors
18 May 2017	645,000	ORD	$0.04	Nil	$25,800	Orbit Drilling
6 Jul 2017	900,500	ORD	$0.04	Nil	$36,020	Orbit Drilling
17 Jul 2017	590,500	ORD	$0.04	20%	$23,620	A Barclay & Assoc.
31 Jul 2017	125,000	ORD	$0.04	20%	$5,000	Pubmate Australia Pty Ltd
29 Aug 2017	16,045,335	ORD	$0.048	Nil	$770,176	Sophisticated investors
29 Aug 2017	497,396	ORD	$0.048 (deemed)	Nil	$23,875	Bloom Financial Advice (Shares in consideration for financial services provided)

Date of issue	Number of Securities	Class	Issue Price	Discount to Market price	Current Value of consideration	Allottee
29 Aug 2017	125,000	ORD	$0.048 (deemed)	Nil	$6,000	CED Capital Limited (Shares in consideration for financial services provided)
29 Aug 2017	3,580,500	ORD	$0.04 (deemed)	Nil	$143,220	Directors (Shares in lieu of Directors fees and amounts owing)
30 Aug 2017	6,950,000	Option[2]	$0.02 (deemed)	Nil	$139,000 (non cash)	Directors (Options in lieu of Directors fees and amounts owing)
18 Sep 2017	2,000,000	Option[2]	$0.0204 (deemed)	Nil	$40,800 (non cash)	E Baltis, Terra Resources Pty Ltd , J Chellew (Options in consideration for technical services provided)
16 Oct 2017	628,375	ORD	$0.04 (deemed)	50%	$25,135 (non cash)	Orbit Drilling (Shares in consideration for drilling services provided)
16 Oct 2017	61,875	ORD	$0.04 (deemed)	50%	$2,475 (non cash)	A Barclay & Assoc. (Shares in consideration for legal services provided)

[1] Unlisted options exercisable at $0.04 each on or before 30 Nov 2020

[2] Unlisted options exercisable at $0.08 each on or before 30 Nov 2020

The Directors intend to use the working capital of $400,000 existing at the date of this Notice towards exploration & general working capital.

$1.6 million was raised during the year from the issue of shares. $1,000,000 of money raised was spent on exploration expenditure and ~$200,000 of office administrative expenses and general working capital were paid for.

(g) A voting exclusion statement is included in the Notice.

(h) 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.

6.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

OTHER BUSINESS

Management is not aware on any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the Proxy Form to vote the Shares represented thereby in accordance with their best judgement on such matter.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

AGM	means an Annual General Meeting
Annual Report	means the Directors' report, the annual financial report and auditors' report in respect of the financial year ended 30 June 2017.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Closely Related Party	has the same meaning as defined in Section 9 of the Corporations Act.
Company	means Anglo Australian Resources NL ACN 009 159 077
Corporations Act	means *Corporations Act 2001* (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Proxy Form	means the Proxy Form attached to this Notice.
Remuneration Report	means the remuneration report of the Company outlined in the Annual Report.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.

ANNEXURE A

ANGLO AUSTRALIAN RESOURCES NL

Terms and Conditions of $0.08 Unlisted Options

a) Each Option entitles the holder to one ordinary fully paid share.

b) The Options shall vest on issue (the Vesting Date).

c) The Options shall expire at 5:00pm WST on 30 November 2020 (the Expiry Date).

d) The Options shall be exercisable at any time from the Vesting Date up to and including the Expiry Date by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.

e) The Options are not transferable, other than to a related party, and application will not be made to the ASX for Official Quotation of the Options.

f) The exercise price of the Options is $0.08 per Option

g) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

h) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:

   i. a written notice of exercise of Options specifying the number of Options being exercised; and

   ii. a cheque or electronic funds transfer for the exercise price for the number of Options being exercised,

i) All ordinary fully paid shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.

j) There are no participating rights and entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that Optionholders will be allowed 7 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.

k) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.

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

   i. the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and

   ii. no change will be made to the exercise price.

m) Adjustment for rights issue
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of an Option will be reduced according to the following formula:

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

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

ANGLO AUSTRALIAN RESOURCES NL

ACN: 009 159 077

«EFT_REFERENCE_NUMBER»

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

REGISTERED OFFICE:
GROUND FLOOR
63 HAY STREET
SUBIACO WA 6008

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: AAR

Holder Number: «HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at **www.securitytransfer.com.au**
1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:30am WST on Monday 27 November 2017 at The Celtic Club, 48 Ord St, West Perth Western Australia, 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.
In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	*Abstain
1. Adoption of Remuneration Report	☐	☐	☐
2. Re-Election of Peter Stern as a Director	☐	☐	☐
3. Increase in Non-Executive Directors Fee Pool	☐	☐	☐
4. Ratification of Issue of Shares	☐	☐	☐
5. Ratification of Issue of Securities	☐	☐	☐
6. Approval of 10% Placement Facility	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3
Sole Director & Sole Company Secretary	Director	Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:30am WST on Saturday 25 November 2017.

My/Our contact details in case of enquiries are:

Name:

Number:

( )

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and

b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

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

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 52 Collins Street West VIC 8007
Street Address	Suite 913, Exchange Tower 530 Little Collins Street Melbourne VIC 3000
Telephone	1300 992 916
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.