

AGRIMIN LIMITED
ACN 122 162 396

NOTICE OF GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company
please contact Mr Alec Pismiris on telephone (+61 8) 6141 6304.*

**AGRIMIN LIMITED
ACN 122 162 396**

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Shareholders of Agrimin Limited will be held at Level 18, Alluvion Building, 58 Mounts Bay Road, Perth, Western Australia at 3.00pm (WST) on 26 July 2016 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

AGENDA

RESOLUTION 1 – RATIFICATION OF PREVIOUS SHARE ISSUES – LISTING RULE 7.1

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 15,470,286 Shares on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company will 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.

RESOLUTION 2 – RATIFICATION OF PREVIOUS SHARE ISSUES – LISTING RULE 7.1A

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

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 1,333,047 Shares on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company will 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.

RESOLUTION 3 – DIRECTOR'S PARTICIPATION IN PLACEMENT - MR MARK SAVICH

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

“That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 300,000 Shares to Mr Mark Savich, a Director, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company, and any associate of these 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.

RESOLUTION 4 – DIRECTOR’S PARTICIPATION IN PLACEMENT - MR ALEC PISMIRIS

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

“That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 300,000 Shares to Mr Alec Pismiris, a Director, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company, and any associate of these 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.

RESOLUTION 5 – DIRECTOR’S PARTICIPATION IN PLACEMENT - MR BRADLEY SAMPSON

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

“That, for the purpose of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 600,000 Shares to Mr Bradley Sampson, a Director, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company, and any associate of these 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.

RESOLUTION 6 – APPROVAL OF THE GRANT OF OPTIONS TO A DIRECTOR – MR BRADLEY SAMPSON

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

“That, for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 1,000,000 Options to Mr Bradley Sampson or his nominee, with the terms and conditions as set out in the Explanatory Memorandum accompanying the Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who is to receive securities in relation to the Company 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 THIS 9th DAY OF JUNE 2016
BY ORDER OF THE BOARD**



**ALEC PISMIRIS
COMPANY SECRETARY**

Notes:

Definitions

Terms which are used in this Notice and which are defined in Section 4 of the Explanatory Memorandum have the meanings ascribed to them therein.

Note

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

Proxies

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

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 a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at 6 Outram Street, West Perth, Western Australia, 6005; or
- P.O. Box Z5108, St Georges Terrace, Perth, Western Australia, 6831; or
- on facsimile number +61 (8) 9324 3366,

not later than 3.00pm (WST) on 24 July 2016.

Pursuant to the regulation 7.11.37 of Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 5.00pm (WST) on 24 July 2016.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

AGRIMIN LIMITED
ACN 122 162 396

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a General Meeting of Shareholders of Agrimin Limited to be held at Level 18, Alluvion Building, 58 Mounts Bay Road, Perth, Western Australia at 3.00pm (WST) on 26 July 2016. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 4.

1. RESOLUTIONS 1 & 2 – RATIFICATION OF PREVIOUS SHARE ISSUES

1.1 Background

On 2 June 2016 the Company announced that it would place up to 18,603,333 Shares at an issue price of \$0.15 per Share to sophisticated investors and Directors, to raise approximately \$2.79 million before costs of the issue (“**Placement**”).

Of the Shares that form the Placement:

- (a) 15,470,286 Shares were issued under the Company’s placement capacity available under Listing Rule 7.1;
- (b) 1,333,047 Shares were issued under the Company’s placement capacity available under Listing Rule 7.1A; and
- (c) 1,200,000 Shares are to be issued to Directors subject to Shareholder approval being obtained (such approval being sought by Resolutions 3 to 5).

Resolutions 1 and 2 seek Shareholder ratification for the Shares issued as contemplated by (a) and (b) respectively for the purposes of Listing Rule 7.4 (“**Ratification**”).

1.2 Listing Rules – Chapter 7

Listing Rule 7.1 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1) and 10% of the company’s ordinary securities then on issue (in the case of Listing Rule 7.1A).

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A, any equity securities issued under that additional placement capacity will not be counted in the variable upon which the 10% placement capacity until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since the issue). In addition, any equity securities issued under that additional placement capacity will reduce the balance of equity securities able to be issued under that additional capacity without prior shareholder approval until that issue has been ratified under Listing Rule 7.4 (or 12 months has passed since the issue).

Listing Rule 7.2 sets out the exceptions to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 and Listing Rule 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 or 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A (as the case may be).

By ratifying the issue of the Shares the subject of Resolutions 1 and 2, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, and the 10% placement capacity under Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

Resolutions 1 and 2 are both ordinary resolutions.

1.3 Resolution 1 - Information required by Listing Rule 7.5

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 1:

- (a) 15,470,286 Shares were issued.
- (b) The issue price was \$0.15 per Share.
- (c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were issued to institutional and sophisticated investors who were eligible to be made disclosures under an exemption under section 708 of the Corporations Act who are clients of Euroz Securities Limited, and none of whom were related parties of the Company.
- (e) The funds raised from the issue of the Shares the subject of Resolution 1 (being approximately \$2.32 mill before costs) will be applied towards exploration and evaluation work on the Mackay SOP Project and for general working capital.
- (f) A voting exclusion applies to this Resolution, as set out in the Notice.

1.4 Resolution 2 - Information required by Listing Rule 7.5

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Shares the subject of Resolution 2:

- (a) 1,333,047 Shares were issued.
- (b) The issue price was \$0.15 per Share.
- (c) The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were issued to institutional and sophisticated investors who were eligible to be made disclosures under an exemption under section 708 of the Corporations Act who are clients of Euroz Securities Limited, and none of whom were related parties of the Company.
- (e) The funds raised from the issue of the Shares the subject of Resolution 2 (being \$199,957 before costs) will be applied towards exploration and evaluation work on the Mackay SOP Project and for general working capital.
- (f) A voting exclusion applies to this Resolution, as set out in the Notice.

1.5 Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of ratifying the above issue of equity securities. This will enable the Company to retain the flexibility to issue further equity securities representing up to 25% of the Company's share capital under ASX Listing Rules 7.1 and 7.1A during a 12 month period without seeking further Shareholder approval.

The Chairman intends to vote all available proxies in favour of Resolutions 1 and 2

2. RESOLUTIONS 3 TO 5 – DIRECTORS' PARTICIPATION IN PLACEMENT

2.1 Background

In addition to the Shares the subject of Resolutions 1 and 2, it is proposed that the Directors of the Company will participate in the Placement on the same terms and conditions as the other subscribers under the Placement.

Because Directors are related parties of the Company, Shareholder approval for the purpose of Listing Rule 10.11 is required before any Shares can be issued to the Directors.

2.2 Listing Rules Chapter 10

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party.

Furthermore, Shareholder approval of the issue of Shares to Directors under Listing Rule 10.11 means that the issue of Shares to the Directors will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Directors consider that participation in the Placement will be on arms' length terms as the placement to the Directors will be made on the same terms to all other parties who participate in the Placement, regardless of whether they are associated with the Company or not. Accordingly, the proposed participation by Messrs Mark Savich, Alec Pismiris and Bradley Sampson falls within the "arm's length terms" exemption provided by Section 210 of the Corporations Act to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act.

2.3 Information Required by Listing Rule 10.13 – Resolution 3

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 3:

- (a) The Shares the subject of Resolution 3 will be issued to Mr Mark Savich, a Director (or his nominee);
- (b) A maximum of 300,000 Shares will be issue pursuant to Resolution 3;
- (c) The Shares the subject of Resolution 3 will be issued at an issue price of \$0.15;
- (d) The Shares the subject of Resolution 3 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (e) The Shares the subject of Resolution 3 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;

- (f) The funds raised from issue of the Shares the subject of Resolution 3 (being \$45,000) will be applied towards exploration and evaluation work on the Mackay SOP Project and for general working capital.

2.4 Information Required by Listing Rule 10.13 – Resolution 4

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 4:

- (a) The Shares the subject of Resolution 4 will be issued to Mr Alec Pismiris, a Director (or his nominee);
- (b) A maximum of 300,000 Shares will be issue pursuant to Resolution 4;
- (c) The Shares the subject of Resolution 4 will be issued at an issue price of \$0.15;
- (d) The Shares the subject of Resolution 4 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (e) The Shares the subject of Resolution 4 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (f) The funds raised from issue of the Shares the subject of Resolution 4 (being \$45,000) will be applied towards exploration and evaluation work on the Mackay SOP Project and for general working capital.

2.5 Information Required by Listing Rule 10.13 – Resolution 5

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of Shares the subject of Resolution 5:

- (a) The Shares the subject of Resolution 5 will be issued to Mr Bradley Sampson, a Director (or his nominee);
- (b) A maximum of 300,000 Shares will be issue pursuant to Resolution 5;
- (c) The Shares the subject of Resolution 5 will be issued at an issue price of \$0.15;
- (d) The Shares the subject of Resolution 5 will be issued no later than 1 month after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on the same date;
- (e) The Shares the subject of Resolution 5 are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares;
- (f) The funds raised from issue of the Shares the subject of Resolution 5 (being \$90,000) will be applied towards exploration and evaluation work on the Mackay SOP Project and for general working capital.

The Chairman intends to vote all available proxies in favour of Resolutions 3 to 5.

3. RESOLUTION 6 - APPROVAL OF THE GRANT OF OPTIONS TO A DIRECTOR – MR BRADLEY SAMPSON

3.1 Background

On 22 April 2016 the Company announced the appointment of Mr Bradley Sampson, replacing Mr Stephen Everett as Non-Executive Chairman.

Mr Sampson is an internationally experienced business leader, director and mining professional with 30 years' resources industry experience. In addition to significant project development and operating experience, he is an experienced director with listed and non-listed company and joint venture governance experience across multiple international jurisdictions. Mr Sampson has been the Managing Director of Discovery Metals Ltd and held senior management roles in resources and engineering companies including Newcrest Mining, Gold Fields Ltd, and Thiess. His experience covers the entire cycle of exploration, development, operations and closure, and includes equity and debt funding of resources projects, government relations and product marketing.

It is proposed that a total grant of 1,000,000 unlisted Options is made to Mr Bradley Sampson or his nominee with an exercise price of \$0.15 and an expiry date of 30 April 2018 (“Options”).

Shareholder approval is sought for the grant of the 1,000,000 Options to Mr Sampson or his nominee. These Options are proposed to be issued as additional compensation and incentive. The Board considers the grant of these Options to be a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Sampson and is consistent with the strategic goals and targets of the Company.

3.2 Listing Rules Chapter 10

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to any of the following persons without first receiving Shareholder approval:

- (a) a related party; or
- (b) a person whose relationship with the entity or a related party is, in the ASX's opinion, such that approval should be obtained.

A 'related party' for the purposes of the Corporations Act includes:

- (a) a director of a public company; and
- (b) an entity controlled by a director of a public company.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in respect of Resolution 6:

- (a) The Options will be issued to Mr Bradley Sampson, a Director, or his nominee.
- (b) A maximum of 1,000,000 Options that will be issued to Mr Sampson (or his nominee) is detailed below.
- (c) The Company proposes to issue the Options immediately following the Meeting, but in any case no later than one month after the date of the Meeting.

- (d) The Options will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used to provide additional working capital to the Company and other operational expenses.
- (e) The Options are exercisable for \$0.15 each on or before 30 April 2018 and otherwise on the material terms and conditions set out at Annexure 1.

3.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition. Exceptions to this general prohibition include where the company first obtains the approval of its shareholder in general meeting, or the financial benefit being provided is on arm’s length terms or better.

A “financial benefit” for the purposes of the Corporations Act includes issuing securities to a related party.

The issue of Options to Mr Sampson as proposed by Resolution 6, if passed, will confer a financial benefit to a Director. Therefore, the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders:

The related party to whom the resolutions would permit the financial benefit to be given:

The related party to whom Resolution 6 would permit the financial benefit to be given is Mr Bradley Sampson, a Director (or his nominee);

The nature of the financial benefit:

The nature of the proposed financial benefit to be given is 1,000,000 Options with an exercise price of \$0.15 and an expiry date of 30 April 2018, and otherwise on the material terms and conditions set out at Annexure 1;

The Options, the subject of Resolution 6 will be issued for no cash consideration. Any proceeds received from the exercise of the Options will be used for working capital and other operational expenses.

Relevant Director’s remuneration package:

Mr Sampson has the following interests and other remuneration:

Director (including associated entities)	Actual 2015 Financial Year Remuneration *	Proposed 2016 Financial Year Remuneration **
Bradley Sampson	\$15,333	\$80,000

* Exclusive of superannuation.

** Does not include the Options the subject of Resolution 6.

Related party’s existing interest

At the date of this Notice, Mr Sampson does not have an interest in any securities in the Company. However, subject to the passage of Resolution 5, Mr Sampson will acquire 600,000 Shares for an aggregate subscription of \$90,000.

Dilution

If the Options the subject of Resolution 6 are approved, the following will be the effect of the holdings in the Company:

Directors (including associated entities)	Current Share & Option Holding	% of Total Share & Option Capital	Share & Option Capital Upon Exercise	% of Total Share & Option Capital Upon exercise
Bradley Sampson	600,000	0.50%	1,600,000	1.31%
All Other Holders	120,538,575	99.50 %	120,538,575	98.69 %
Total	121,138,575	100.00%	122,138,575	100.00%

* This table assumes that the following:

- (i) the issue of Shares subject of Resolutions 1 and 2 under the Placement has occurred
- (ii) the issue of Shares subject of Resolutions 3 to 5 to Directors occurs;
- (iii) the Options the subject of Resolution 6 are granted; and
- (iv) that no existing Option or Performance Rights are exercised or converted:

As such, based on the assumptions set out below the above table, the dilutionary effect if all Options the subject of Resolution 6 are exercised will be 0.5% on Shareholders

Trading History of the Shares

As at 8 June 2016, the closing price of Shares on ASX was \$0.28.

Set out below is the trading history of the closing price of Shares over the past 6 and 12 month periods:

	Market Prices 6 months' prior to 8 June 2016*	Market Prices 12 months' prior to 8 June 2016 **
High	\$0.28	\$0.28
Low	\$0.125	\$0.125

*From 9 December 2015 to 8 June 2016

**From 9 June 2015 to 8 June 2016

Valuation of financial benefit

The Options that are the subject of Resolution 6 are not currently quoted on the ASX and as such have no market value. Each Option grants the holder a right to subscribe for one Share upon exercise of each Option and payment of the exercise price being \$0.15 per Option. Accordingly, the Options may have a present value at the date of their grant.

The Options may acquire future value dependent upon the extent to which the market value of Shares exceeds the exercise price of the Options during the term of the Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have value.

Various factors impact upon the value of options including things such as:

- the period outstanding before the expiry date of the options;
- the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the options represent a controlling or other significant interest);

- the value of the shares into which the options may be converted; and
- whether or not the options are listed (i.e. readily capable of being liquidated), and so on.

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black and Scholes option valuation methodology “Black-Scholes Model”).

The Company has completed a valuation of the Options based on the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company’s underlying Share price and expected dividends.

The data relied upon in the valuation applying the Black-Scholes Model was:

- Exercise price of the Options, being \$0.15;
- Market price of Shares of \$0.28 cents, being the closing price of Shares on the ASX on 8 June 2016;
- Options vesting on the date of issue, assumed to be 26 July 2016;
- Expiry Date of 30 April 2018;
- Volatility measure of 65%;
- Risk-free interest rate of 3 year Australian Government bonds of 1.66%; and
- Dividend yield of 0.00%

Based on the valuation, the Company has adopted an indicative value for the Options of \$0.155 cents each, based on the assessed fair value of the Options as calculated in that report.

The total assessed valuation of the Options that are the subject of Resolution 6 is \$155,000.

It is noted the valuation of the Options ranged in values between \$0.145 cents and \$0.167 cents per Option, based on volatilities ranging from 50% to 80%.

Taxation Consequences

No stamp duty will be payable in respect of the grant of the Options. No GST will be payable by the Company in respect of the grant of the Options (or if it is then it will be recoverable as an input credit).

AASB 2 “Share Based Payments” requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management’s assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Directors' recommendation and basis of recommendation

Mark Savich recommends that Shareholders vote in favour of Resolution 6 relating to the issue of Options to Mr Sampson on the basis that the Options are to be issued as an incentive to Mr Sampson, and in order to retain his valuable services and provide incentives linked to the performance of the Company.

Also, given the speculative nature of the Company's activities and the small management team responsible for its running, Mr Savich considers that the performance of the Directors and the performance and value of the Company are closely related. As such, the Options will generally only be of benefit if the Directors perform to the level whereby the value of the Company is sufficient to warrant exercising those Options.

The number of Options to be issued to Mr Sampson (i.e. 1 million) has been determined having given consideration to the input and value Mr Sampson will provide to the Company, and also, the level of incentive being provided to Mr Sampson by virtue of the Option package. Despite the exercise price of the Options being less than the market price of Shares at the date of this Notice, the value of the Company's Shares will need to be maintained or increased for some time to warrant the exercise of the Options, which is considered to be in the best interests of Shareholders.

Further, the opportunity costs and benefits foregone by the Company issuing the Options to Mr Sampson, is the potentially dilutionary impact on the issued Share capital of the Company (in the event that the Options are exercised). Until exercised, the issue of the Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares will be detrimental to the Company, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled Directors on appropriate incentive terms. It is also considered that the potential increase of value in the Options is dependent upon a concomitant increase in the value of the Company generally.

Alec Pismiris recommends that Shareholders vote in favour of Resolution 6 relating to the issue of Options to Mr Sampson on the same basis as Mr Savich's recommendation.

Mr Bradley Sampson has an interest in this Resolution 6 (being the grant of the 1 million Options the subject thereof) and makes no recommendation to Shareholders as to how to vote.

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

4. Definitions

In this Notice and Explanatory Memorandum:

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors;

“**Business Day**” has the meaning given to it in the Listing Rules;

“**Chairman**” means the chairman of the Board;

“**Company**” means Agrimin Limited (ACN 122 162 396);

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Explanatory Memorandum**” means this Explanatory Memorandum;

“**Inferred Resource**” has the meaning given to the term in the JORC Code;

“**Listing Rules**” means the official listing rules of the ASX;

“**Mackay SOP Project**” means the Company’s project comprised of tenements E80/4888, E80/4889, E80/4890, E80/4893, E80/4995 and EL30651 and includes any successor tenement issued in lieu thereof and any mineral exploration or production title that may be granted in respect of any part of the land that those tenements encompasses as at the date of this Notice;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Official List**” means the official list of ASX;

“**Option**” means the options the subject of Resolution 6 being those options proposed to be issued on the terms and conditions set out in Annexure 1;

“**Performance Rights**” means a performance right granted under the GRM Performance Rights Plan 2014;

“**Placement**” has the meaning contemplated by Section 1.1;

“**Plan**” means the GRM Performance Rights Plan 2014;

“**Ratification**” has the meaning contemplated by Section 1.1;

“**Resolution**” means a resolution set out in this Notice;

“**Section**” means a section of this Explanatory Memorandum;

“Share” means an ordinary fully paid ordinary share in the capital of the Company and **“Shareholder”** has a corresponding meaning;

“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.

ANNEXURE 1 – TERMS AND CONDITIONS OF THE OPTIONS THE SUBJECT OF RESOLUTION 6

The terms and conditions of the Options the subject of Resolution 6 are as follows:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 30 April 2018 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).
- (d) The Options held by the Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) The Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
- (f) A written notice of exercise of Options specifying the number of Options being exercised; and a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**);
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Price.
- (i) The Options will be non-transferable.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of the Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

AGRIMIN LIMITED
ACN 122 162 396
PROXY FORM

The Secretary
Agrimin Limited
6 Outram Street
West Perth WA 6005

Fax Number: +61 (8) 9324 3366

I/We _____

of _____

being a shareholder/(s) of Agrimin Limited hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at Level 18, Alluvion Building, 58 Mounts Bay Road, Perth, Western Australia at 3.00pm (WST) on 26 July 2016, and at any adjournment thereof in respect of []% of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

		For	Against	Abstain
RESOLUTION 1	RATIFICATION OF PREVIOUS SHARE ISSUES - LISTING RULE 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 2	RATIFICATION OF PREVIOUS SHARE ISSUES - LISTING RULE 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3	DIRECTOR'S PARTICIPATION IN PLACEMENT - MR MARK SAVICH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 4	DIRECTOR'S PARTICIPATION IN PLACEMENT - MR ALEC PISMIRIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 5	DIRECTOR'S PARTICIPATION IN PLACEMENT - MR BRADLEY SAMPSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 6	APPROVAL OF THE GRANT OF OPTIONS TO A DIRECTOR - MR BRADLEY SAMPSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

