



# **Jupiter Mines Limited**

**ACN 105 991 740**

## **Notice of Annual General Meeting, Explanatory Statement and Proxy Form**

**Annual General Meeting to be held at**

**Radisson Blu Plaza Sydney**

**27 O'Connell Street, Sydney, New South Wales, 2000**

**on Tuesday, 10 July 2018 at 3:00pm AEST**

### **IMPORTANT NOTE**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

## Contents

---

|   |    |
|---|----|
| Notice of Annual General Meeting          | 3  |
| Voting Prohibitions and Exclusions        | 5  |
| Proxy Appointment and Voting Instructions | 7  |
| Explanatory Statement                     | 10 |

## Important dates

---

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

|  |   |
|--|---|
| Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded | 3:00pm AEST on<br>Sunday, 8 July 2018   |
| Snapshot date for eligibility to vote  | 3:00pm AEST on<br>Sunday, 8 July 2018   |
| Annual General Meeting   | 3:00pm AEST on<br>Tuesday, 10 July 2018 |

# Notice of Annual General Meeting

---

Notice is hereby given that the Annual General Meeting of Jupiter Mines Limited ACN 105 991 740 (Company) will be held at the **Radisson Blu Plaza Sydney, 27 O'Connell Street, Sydney, New South Wales**, on **Tuesday, 10 July 2018 at 3:00pm AEST**.

The Explanatory Statement that accompanies and forms part of this Notice, describes the various matters to be considered.

Capitalised terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

## AGENDA

### Financial Report

To receive and consider the financial report of the Company and the reports of the Directors and auditor for the financial year ended 28 February 2018, contained in the Company's Annual Report for 2018.

### 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Directors' Report for the financial year ended 28 February 2018 be adopted by the Company."*

**Notes:** In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution ("spill resolution") that another meeting be held within 90 days at which all of the offices of Director are vacated (other than the office of managing director) and each such office will be put to a vote.

At the date of this Notice, the position of managing director is effectively performed by the Company's chief executive officer (who is also a Director), Mr Priyank Thapliyal.

### Resolution 2: Re-election of Director – Mr Paul Murray

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 14.4, Rule 39 of the Constitution and for all other purposes, Mr Paul Murray, being a Director of the Company who retires in accordance with Rule 39.1 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

### Resolution 3: Re-election of Director – Mr Andrew Bell

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 14.4, Rule 39 of the Constitution and for all other purposes, Mr Andrew Bell, being a Director of the Company who retires in accordance with Rule 39.1 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### **Resolution 4: Issue of IPO Bonus Shares to a Director – Mr Priyank Thapliyal**

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 10.11 and for all other purposes, Shareholders approve the issue of 10,650,530 Shares to Mr Priyank Thapliyal (or his nominee) in satisfaction of his IPO Bonus on the terms and conditions set out in the Explanatory Statement.”*

#### **Resolution 5: Approval of Termination Entitlements of a Director – Mr Priyank Thapliyal**

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

*“That for the purposes of section 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, Shareholders approve the Termination Entitlements described in the Explanatory Statement which may become payable to the Company’s Chief Executive Officer and Executive Director, Mr Priyank Thapliyal, under the terms of his Employment Agreement with the Company.”*

#### **Resolution 6: Approval to increase non-executive Directors’ fees**

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 10.17, Rule 40.4 of the Constitution and for all other purposes, the maximum aggregate fixed sum available to be paid to non-executive Directors of the Company be increased by \$100,000 per annum to \$500,000 per annum.”*

#### **Resolution 7: Approval of allowance for Mr Brian Gilbertson as Chairman**

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

*“That for the purposes of Rule 40.6 of the Constitution and for all other purposes, Mr Brian Gilbertson be paid a salary or allowance of up to \$70,000 per annum in addition to his fees as a non-executive Director, for his services as Chairman of the Company.”*

#### **Resolution 8: Adoption of New Constitution**

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

*“That for the purposes of section 136(2) of the Corporations Act and for all other purposes, the Company repeal its current Constitution and in its place adopt the New Constitution in the form tabled at the Meeting.”*

#### **Resolution 9: Approval of proportional takeover provisions in New Constitution**

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

*“That, subject to the approval of Resolution 8, with effect from the close of the Meeting, Schedule 5 of the proposed New Constitution, which sets out proposed proportional takeover provisions, be approved and adopted in the New Constitution in the form set out in Schedule 2 to the Explanatory Statement.”*

# Voting Prohibitions and Exclusions

## Corporations Act voting prohibitions

| Resolution   | Voting prohibition   | Exceptions   |
|--------------|--|--|
| Resolution 1 | <p>Pursuant to section 250R of the Corporations Act, members of Key Management Personnel and their Closely Related Parties (other than the Chairman) may not vote on Resolution 1, except as a proxy where the appointment specifies how the proxy is to vote. The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.</p> <p>Any votes cast in contravention of section 250R of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is passed.</p> | <p>This prohibition does not prevent the casting of a vote on the Resolution by a person who is otherwise prohibited from voting, as a proxy where the appointment specifies how the proxy is to vote.</p> <p>The Chairman may vote as proxy in accordance with an express authorisation on the Proxy Form.</p>                    |
| Resolution 5 | <p>Pursuant to section 200E of the Corporations Act, a vote on Resolution 5 must not be cast (in any capacity) by or on behalf of Mr Priyank Thapliyal or any of his 'associates' (as that term is defined in the Corporations Act).</p>   | <p>This voting prohibition does not prevent the casting of a vote on Resolution 5 if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf Mr Thapliyal or any of his 'associates' (as that term is defined in the Corporations Act).</p> |

Pursuant to section 250BD of the Corporations Act, members of Key Management Personnel and their Closely Related Parties (other than the Chairman) may not vote as a proxy on any of Resolutions 4, 5, 6 or 7, except where the appointment specifies how the proxy is to vote, or in the case of the Chairman, in accordance with an express authorisation on the Proxy Form. Any votes cast in contravention of section 250BD of the Corporations Act will not be counted in working out a percentage of votes cast or whether the Resolution is passed.

## ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes in favour of the following Resolutions cast by or on behalf of the following persons:

| Resolution   | Excluded Parties  |
|--------------|---|
| Resolution 1 | Not applicable.   |
| Resolution 2 | Not applicable.   |
| Resolution 3 | Not applicable.   |
| Resolution 4 | A person who is to receive securities in relation to the Company, being Mr Priyank Thapliyal (or his nominee), or any of their Associates.  |
| Resolution 5 | An officer of the Company or any of its 'child entities' (as that term is defined in the Listing Rules) who is entitled to participate in a 'termination benefit' (as that term is defined in the Listing Rules), being Mr Priyank Thapliyal, or any of his Associates. |
| Resolution 6 | A Director or any of their Associates. The Directors as at the date of this Notice are Messrs Brian Gilbertson, Priyank Thapliyal, Paul Murray, Sungwon Yoon and Andrew Bell.   |
| Resolution 7 | Not applicable.   |
| Resolution 8 | Not applicable.   |

|              |                 |
|--------------|-----------------|
| Resolution 9 | Not applicable. |
|--------------|-----------------|

However, the Company need not disregard a vote on Resolution 4, 5 or 6 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



**Mr Brian Gilbertson**  
Non-Executive Chairman

1 June 2018

# Proxy Appointment and Voting Instructions

---

## Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below before **3:00pm AEST on Sunday, 8 July 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

*By post:* Jupiter Mines Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

*By hand:* Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

*By fax:* (02) 9287 0309 (within Australia)  
+61 2 9287 0309 (from outside Australia)

*Online:* Shareholders who wish to submit their Proxy Form online should follow the instructions set out below:

1. Go to the following website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).
2. Select 'Investor & Employee Login'.
3. Enter 'Jupiter Mines Limited' or the ASX code 'JMS' in the 'Issuer Name' field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the reverse of your Proxy Form), postcode and security code which is shown on the screen and click 'Login'.
4. Select the 'Voting' tab and then follow the prompts.

Shareholders who lodge a Proxy Form online following the instructions above will be deemed to have signed their Proxy Form.

## Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman please write the full name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

You are entitled to appoint up to two 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 telephoning the Share Registry on +61 1300 554 474 or you may photocopy the Proxy Form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

## Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations

Act provides that a company may execute a document without using its common seal if the document is signed by:

1. two directors of the company;
2. a director and a company secretary of the company; or
3. for a proprietary company that has a sole director who is also the sole company secretary, that director.

### **Corporate representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Share Registry before the Meeting or at the registration desk on the day of the Meeting.

### **Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### **Chairman voting undirected proxies**

If the Chairman is your proxy, the Chairman will cast your votes in accordance with your directions on the Proxy Form. If you do not mark any of the boxes on the Resolutions, then you expressly authorise the Chairman to vote your undirected proxies at his/her discretion.

As at the date of this Notice, the Chairman intends to vote undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may subsequently change and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolution 1, 4, 5, 6 and 7 even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### **Voting eligibility – snapshot date**

For the purposes of determining voting and attendance entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 3:00pm AEST on Sunday, 8 July 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### **Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

### **Questions from Shareholders**

At the Annual General Meeting, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Michael Hillgrove of Grant Thornton Audit Pty Ltd, as the auditor responsible for preparing the auditor's report for the year ended 28 February 2018 (or his representative) will attend the Annual General Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;



- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have in writing no later than Monday, 2 July 2018:

*By post:* GPO Box Z5117, Perth, WA, 6000

*By hand:* Level 10, 16 St Georges Terrace, Perth, WA, 6000

*By email:* [info@jupitermines.com](mailto:info@jupitermines.com)

Copies of written questions will be available at the Meeting.

# Explanatory Statement

---

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary or otherwise in the Explanatory Statement.

## 1. Annual Financial Report

The Corporations Act requires the Directors' report, auditor's report and the financial statements of the Company for the year ended 28 February 2018 to be tabled at the Annual General Meeting. These reports are contained in the Company's 2018 Annual Report.

Neither the Corporations Act nor the Company's constitution requires a vote of Shareholders on the Reports or Financial Statements. However, Shareholders will be given reasonable opportunity to raise questions on the reports and ask questions of the Company's auditor.

## 2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the managing director) must go up for re-election.

At the date of this Notice, the position of managing director is effectively performed by the Company's chief executive officer (who is also a Director), Mr Priyank Thapliyal.

As the Company was not admitted to the Official List of ASX at the time of its annual general meeting for 2017, Division 9 of Part 2G.2 of the Corporations Act did not apply to the Company at that time. Accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

A voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. Key Management Personnel and their Closely Related Parties may not vote on this Resolution and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy. The Chairman will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of the Remuneration Report).

### **3. Resolution 2: Re-election of Director – Mr Paul Murray**

In accordance with the Listing Rules and Rule 39 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment;  
or
- (c) if the Directors have been in office for an equal length of time, by agreement.

Mr Paul Murray retires by rotation and offers himself for re-election as a Director.

Mr Murray is a founding director of Jupiter Mines Limited and was Chairman at the time of formation in August 2003. Paul was appointed as a Director of the Company on 20 August 2003. He has served continuously since that time as Chairman of both the Audit Committee and the Remuneration and Nomination Committee.

Apart from academic qualifications which are relevant to his roles, Paul has held positions on boards of a number of ASX listed companies. Mining experience includes exploration for and mining of tin in the New England district of NSW and service on the boards of successful Australian oil and gas companies, Basin Oil NL and Reef Oil NL.

The Directors (other than Mr Paul Murray) recommend that Shareholders vote in favour of the re-election of Mr Paul Murray.

### **4. Resolution 3: Re-election of Director – Mr Andrew Bell**

In accordance with the Listing Rules and Rule 39 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are:

- (a) those who have been in office for 3 years since their appointment or last re-appointment;
- (b) those who have been longest in office since their appointment or last re-appointment;  
or
- (c) if the Directors have been in office for an equal length of time, by agreement.

Mr Andrew Bell retires by rotation and offers himself for re-election as a Director.

Mr Bell was appointed as a Director of the Company on 4 June 2008.

Mr Bell is Chairman of Red Rock Resources plc, and Regency Mines plc, being companies listed on the AIM market of the London Stock Exchange Ltd. He was a natural resources analyst in London in the 1970s, then specialised in investment and investment banking covering the Asia region.

He has been involved in the resource and mining sectors in Asia since the 1990s, and has served on the Boards of a number of listed resource companies.

The Directors (other than Mr Andrew Bell) recommend that Shareholders vote in favour of the re-election of Mr Andrew Bell.

## 5. Resolution 4: Issue of IPO Bonus Shares to a Director – Mr Priyank Thapliyal

### 5.1 Background

Resolution 4 seeks approval under Listing Rule 10.11 for the issue of 10,650,530 Shares (**IPO Bonus Shares**) to the Company's Chief Executive Officer and Executive Director, Mr Priyank Thapliyal.

Pursuant to the terms of his Employment Agreement with the Company, Mr Thapliyal is entitled to receive a bonus (**IPO Bonus**) equal to 1% of the amount by which the indicative market capitalisation of the Company determined by the number of Shares on issue as at the date of the replacement prospectus issued by the Company on 4 April 2018 (**Prospectus**) (being 1,948,340,503 Shares) multiplied by \$0.40, exceeds \$353,315,000 (being the pro forma total equity of the Company shown in the Company's pro forma consolidated statement of financial position at section 4.7 of the Prospectus).

The IPO Bonus is to be satisfied by the issue of Shares at a deemed issue price of \$0.40 (i.e. the IPO Bonus Shares), subject to and conditional upon Shareholder approval being received under Resolution 4. If Shareholder approval is not received, the IPO Bonus is payable in cash.

The issue of the IPO Bonus Shares will increase the total Shares on issue by 0.55%.

The material terms of Mr Thapliyal's Employment Agreement (including the terms of the IPO Bonus) are disclosed in the Company's Prospectus.

### 5.2 Corporations Act requirements

Section 208 of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- (a) obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The issue of Shares to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Having considered the Company's circumstances and Mr Thapliyal's position as Chief Executive Officer and Executive Director of the Company, the Board (other than Mr Thapliyal) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of IPO Bonus Shares, as the IPO Bonus Shares are being issued to Mr Thapliyal as a part of his remuneration for his services to the Company under his Employment Agreement, in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances. Accordingly, the Board (other than Mr Thapliyal) considers that the remuneration is reasonable for the purposes of the exception in section 211 of the Corporations Act.

### 5.3 Applicable Listing Rules

Listing Rule 10.11 provides that a company must not issue securities to a Related Party of the company, unless approval is obtained from Shareholders. If Resolution 4 is approved for the purposes of Listing Rule 10.11, then approval is not required under Listing Rule 7.1.

Mr Thapliyal is a Related Party of the Company by virtue of being a Director.

Accordingly, Shareholder approval is sought for the purposes of Listing Rule 10.11 for the issue of the IPO Bonus Shares to Mr Thapliyal.

If Shareholder approval is not received under Resolution 4, the Company will not issue the IPO Bonus Shares to Mr Thapliyal, and the IPO Bonus will instead be payable in cash.

#### **5.4 Listing Rule information requirements**

Listing Rule 10.13 requires that the following information be provided to Shareholders in relation to Resolution 4 for the purpose of obtaining approval under Listing Rule 10.11:

(a) **Name of the Related Party**

Mr Priyank Thapliyal, the Chief Executive Officer and Executive Director of the Company.

(b) **Maximum number of securities to be issued**

The maximum number of securities that may be issued is 10,650,530 Shares.

(c) **Date by which securities will be issued**

The IPO Bonus Shares will be issued as soon as possible and, in any event, within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

(d) **Relationship requiring Shareholder approval**

Mr Thapliyal is an Executive Director of the Company and is therefore a Related Party of the Company.

(e) **Issue price of the securities**

As outlined in Section 5.1 above, the IPO Bonus Shares will be issued at a deemed issue price of \$0.40, being the same price at which Shares were offered under the Prospectus. The IPO Bonus Shares will be fully paid ordinary shares in the capital of the Company, and will rank equally with all other Shares on issue. The Company will apply for quotation of the IPO Bonus Shares on ASX.

(f) **The intended use of the funds raised**

No funds will be raised by the issue of the IPO Bonus Shares as they are being issued as a part of the remuneration payable to Mr Thapliyal for his services to the Company in his capacity as Chief Executive Officer and Executive Director.

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

The Directors (other than Mr Thapliyal) recommend that Shareholders vote in favour of Resolution 4, as the Directors (other than Mr Thapliyal) consider that the IPO Bonus is a reasonable and appropriate method to provide cost effective and efficient remuneration to Mr Thapliyal, as the non-cash form of this benefit will allow the Company to retain a greater portion of its cash reserves for the Company's working capital and payment of dividends and/or distributions to Shareholders than it would if it was required to satisfy the IPO Bonus in cash.

The dilutive effect of the issue of the IPO Bonus Shares on existing Shareholders is 0.55%, being an amount which the Directors do not consider to be materially prejudicial to the interests of Shareholders.

Mr Thapliyal makes no recommendation in relation to Resolution 4 in light of his personal interest in this Resolution.

## **6. Resolution 5 – Approval of Termination Entitlements of a Director – Mr Priyank Thapliyal**

### **6.1 Background**

Resolution 5 seeks Shareholder approval under section 200E of the Corporations Act for certain termination payments and benefits which Mr Priyank Thapliyal may become entitled to if his employment with the Company is terminated (**Termination Entitlements**).

Details of the termination events and the payments and benefits which may be made to Mr Thapliyal are set out below.

### **6.2 Section 200E of the Corporations Act**

Section 200B of the Corporations Act prohibits a company from giving a benefit to a director in connection with the director's retirement or removal from office unless the company's shareholders approve that benefit under section 200E or the benefit falls within certain exceptions set out in the Corporations Act.

A payment or benefit will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the director's remuneration and if the nature of the payment falls within one of the categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

Mr Thapliyal's Termination Entitlements under the terms of his Employment Agreement may not technically fall within any of the categories of exception set out in the Corporations Act and accordingly Shareholder approval is sought.

The Board has formed the view that the circumstances in which the Termination Entitlements may be made to Mr Thapliyal are appropriate and the amounts of such entitlements are not excessive or unusual for an executive with the role and responsibilities of Mr Thapliyal.

Section 200E of the Corporations Act requires that, where shareholders are asked to approve a payment or other benefit to a director that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment or benefit, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount or benefit is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The amount of any payment or other benefit that may be made to Mr Thapliyal in connection with his retirement or removal from office depends upon his remuneration at the time that he ceases to hold office and the circumstances in which he ceases to hold office.

To inform Shareholders of the manner in which termination payments and benefits may be calculated, the following paragraphs summarise the remuneration and termination provisions of Mr Thapliyal's Employment Agreement.

### **6.3 Listing Rule 10.18**

Listing Rule 10.18 provides that the Company must ensure that no officer of the Company or any of its child entities will be entitled to termination benefits if a change occurs in the shareholding or control of the Company or child entity.

The Company considers that the Termination Entitlements that are the subject of Shareholder approval pursuant to Resolution 5 do not infringe Listing Rule 10.18 because Mr Thapliyal does not immediately become entitled to any Termination Entitlements if a change occurs in the shareholding or control of the Company.

**6.4 Listing Rule 10.19**

Listing Rule 10.19 provides that without the approval of Shareholders, the Company must ensure that no officer of the Company or its child entities will be or may be entitled to termination benefits (without shareholder approval first being obtained prior to payment) if the value of those benefits and the termination benefits which are or may become payable to all officers together, exceeds 5% of the equity interests of the Company as set out in the latest annual accounts given to ASX.

The Company considers that, although the Termination Entitlements that are the subject of Shareholder approval pursuant to Resolution 5 do not infringe Listing Rule 10.19 as the value of the Termination Entitlements when aggregated with other relevant termination entitlements do not exceed 5% of the equity interests of the Company as set out in the latest annual accounts given to ASX, it is conceivable that they may in the future exceed this 5% limit. Consequently, the Company seeks Shareholder approval for the Termination Entitlements for the purpose of Listing Rule 10.19.

**6.5 Remuneration entitlements**

The material terms of Mr Thapliyal’s employment with the Company are disclosed in section 6.3 of the Prospectus.

Set out below is a breakdown of Mr Thapliyal’s total remuneration package for the current financial year.

|  |
|--|
| <b>Cash</b>  |
| <b>Annual Salary:</b> Annual salary of £400,000 (with no pension fund or superannuation contributions).  |
| <b>Sign-On Bonus:</b> US\$663,520 as a sign-on bonus in consideration for Mr Thapliyal agreeing to enter into the Employment Agreement.  |
| <b>Annual Bonus:</b> A cash bonus equal to 1% of the value of amounts paid by way of: (i) a dividend; (ii) a distribution, payment or return of capital; or (iii) the acceptance of equal access buy-back offers made to all Shareholders, paid or made by the Company until the date of termination of the Executive’s employment.  |
| <b>Non-Cash</b>  |
| <b>IPO Bonus:</b> A bonus equal to 1% of the amount by which the indicative market capitalisation of the Company determined by the number of Shares on issue as at the date of the Prospectus (being 1,948,340,503 Shares) multiplied by \$0.40, exceeds \$353,315,000 (being the pro forma total equity of the Company shown in the Company’s pro forma consolidated statement of financial position at section 4.7 of the Prospectus. Subject to the approval of Resolution 4, this bonus is to be satisfied by the issue of the IPO Bonus Shares. If Shareholder approval for the issue of the IPO Bonus Shares is not obtained, the IPO Bonus will be payable in cash. |

In addition to the above, Mr Thapliyal is entitled to reimbursement for all reasonable expenses incurred in connection with the performance of his duties, including reasonable expenses relating to entertainment, accommodation, meals, and travelling.

## 6.6 Termination arrangements and entitlements

The termination provisions of the Employment Agreement for Mr Thapliyal are described below.

### (a) Termination with notice by the Company

The Company may terminate Mr Thapliyal's employment by providing written notice as follows:

- by giving 6 months' written notice of termination, and providing a payment on termination comprising an amount equal to 6 months' of Mr Thapliyal's annual salary plus the amount of Annual Bonus paid during the 12 month period prior to the date of termination;
- by giving less than 6 months' written notice of termination, and providing a payment on termination comprising an amount equal to 12 months of Mr Thapliyal's annual salary less the notice period plus the amount of Annual Bonus paid during the 12 month period prior to the date of termination; or
- by giving immediate notice of termination, and providing a payment on termination comprising an amount equal to 12 months of Mr Thapliyal's annual salary plus the amount of Annual Bonus paid during the 12 month period prior to the date of termination.

Once notice of termination has been given by the Company to Mr Thapliyal, the Company is entitled to require that Mr Thapliyal does not (amongst other things):

- carry out his duties or responsibilities under the Employment Agreement; or
- attend the premises of the Company for the duration of the notice period.

If the Company elects to terminate Mr Thapliyal's employment in any of the circumstances set out above, Mr Thapliyal:

- will not be entitled to any further Annual Bonus that would otherwise accrue during the remaining term of employment (if any);
- will receive payment of accrued but untaken annual leave; and
- if termination occurs after 7 years' continuous service with the Company, payment in lieu of pro-rata long service leave equal to 8.667 weeks for every 10 years of continuous employment.

### (b) Summary termination by the Company

The Company may terminate Mr Thapliyal's employment by notice in writing effective immediately in certain circumstances specified in his Employment Agreement, including in the case of serious misconduct and in the event of a material breach of the Employment Agreement by Mr Thapliyal.

On summary termination by the Company, Mr Thapliyal would be entitled to all sums which the Company then owes Mr Thapliyal, whether those sums are due to be paid or not, including:

- payment of all outstanding remuneration to which he is entitled to at the time of his termination; and
- payment of accrued but untaken annual leave,



but Mr Thapliyal would not be entitled to any bonus entitlements other than such entitlements that have accrued and are owing to Mr Thapliyal as at the date of termination of his employment.

If Mr Thapliyal's employment were terminated by reason of serious misconduct, Mr Thapliyal would not be entitled to any payment in lieu of pro-rata long service leave.

**(c) Termination by Mr Thapliyal**

Mr Thapliyal may terminate his employment by providing 6 months' written notice to the Company.

If Mr Thapliyal terminates his employment, he would be entitled to receive the following:

- payment of all outstanding remuneration to which he may be entitled at the time of his termination;
- payment of accrued but untaken annual leave; and
- if termination occurs after 7 years' continuous service with the Company, payment in lieu of pro-rata long service leave equal to 8.667 weeks for every 10 years of continuous employment,

but Mr Thapliyal would not be entitled to any unvested portion of any Annual Bonus that may have otherwise become payable to Mr Thapliyal.

**(d) Trigger Event Termination**

If there is a Change in Control of the Company, and within 6 months of the Change of Control there is a change in Mr Thapliyal's title or position which is not agreed with Mr Thapliyal and which causes a material diminution of Mr Thapliyal's duties or decision making authority as chief executive officer of a public listed company (**Material Diminution**), Mr Thapliyal may within the 30 day period after the Material Diminution (**Trigger Event Period**), give written notice to the Company of his resignation with immediate effect (**Trigger Event Notice**).

If Mr Thapliyal resigns by issuing a Trigger Event Notice within the Trigger Event Period, he will be entitled to receive the following:

- a payment equivalent to 12 months' of Mr Thapliyal's annual salary;
- a payment equivalent to the amount of Annual Bonus paid during the 12 month period prior to the date the Trigger Event occurs;
- payment of all outstanding remuneration to which he may be entitled at the time of his termination;
- payment of accrued but untaken annual leave; and
- if termination occurs after 7 years' continuous service with the Company, payment in lieu of pro-rata long service leave equal to 8.667 weeks for every 10 years of continuous employment.

If Mr Thapliyal does not provide a Trigger Event Notice within the Trigger Event Period, Mr Thapliyal will not be entitled to the payments set out in paragraphs (i) and (ii) above (**Trigger Event Entitlements**).

The Trigger Event Entitlements are inclusive of any entitlement Mr Thapliyal may have to notice of termination or a payment in lieu thereof, and to any accrued or further bonus.

**6.7 Protection of Company interests**

The Employment Agreement contains restraint of trade provisions which in summary prevent Mr Thapliyal from engaging in a business that mines, processes, sells or markets manganese ore, or soliciting the Company's, or Tshipi é Ntle's, employees, suppliers or clients within an area of up to any country in which the Company or Tshipi é Ntle has operations at the time Mr Thapliyal's employment ends.

**6.8 Directors' recommendations**

The Directors (other than Mr Thapliyal) consider that the Termination Entitlements payable by the Company to Mr Thapliyal under his Employment Agreement are reasonable in the circumstances and recommend that Shareholders vote in favour of Resolution 5.

Mr Thapliyal makes no recommendation in relation to Resolution 5 in light of his personal interest in this Resolution.

**6.9 Proxy voting restrictions**

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

**7. Resolution 6: Approval to increase non-executive Directors' fees**

**7.1 Background**

Resolution 6 seeks approval to increase the total aggregate amount of fees payable to non-executive Directors by \$100,000 from the existing limit of \$400,000, to \$500,000.

The non-Executive Directors are currently entitled to be paid the following amounts, inclusive of superannuation per annum:

- (a) Brian Gilbertson – \$60,000;
- (b) Paul Murray – \$55,000;
- (c) Mr Sungwon Yoon – \$55,000; and
- (d) Andrew Bell – \$60,000.

If Resolution 6 and Resolution 7 (for the additional allowance or salary of \$70,000 payable to Mr Gilbertson in respect of his duties as Chairman of the Company) are approved, the fees payable to the non-executive Directors will be as follows:

| Director         | Directors' fees | Committee fees | Total     |
|------------------|-----------------|----------------|-----------|
| Brian Gilbertson | \$130,000       | \$2,500        | \$132,500 |
| Paul Murray      | \$55,000        | \$11,000       | \$66,000  |
| Mr Sungwon Yoon  | \$55,000        | \$2,500        | \$57,500  |
| Andrew Bell      | \$55,000        | \$5,000        | \$60,000  |
| Total            | \$295,000       | \$21,000       | \$316,000 |

**Notes:**

1. All amounts are inclusive of superannuation.
2. The committee fees payable to each non-executive Director are in respect of their services to the Audit Committee, and to the Remuneration and Nomination Committee, as follows:
  - (a) Mr Gilbertson as a member of the Remuneration and Nomination Committee (**RN Committee**);
  - (b) Mr Paul Murray as chair of the RN Committee and the Audit Committee;
  - (c) Mr Yoon as a member of the Audit Committee; and
  - (d) Mr Bell as a member of the RN Committee and the Audit Committee.
3. The Directors fees of \$130,000 payable to Mr Gilbertson include the additional allowance or salary of \$70,000 payable to Mr Gilbertson in respect of his duties as Chairman of the Company, approval of which is the subject of Resolution 7 below.

Although the total aggregate fees payable to non-executive Directors, being \$316,000, is less than both the current limit (being \$400,000) and the proposed limit (being \$500,000), the Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for its non-executive Directors for the following reasons:

- (a) to ensure the Company continues to have capacity to remunerate its Directors in accordance with market rates for companies of similar size and complexity having regard to the duties and responsibilities of that position;
- (b) to ensure the Company maintains the ability to remunerate competitively and attract and retain non-executive Directors with the skills and experience appropriate for the Company's business;
- (c) to allow for growth in non-executive Directors' remuneration in the future to reflect performance and market conditions; and
- (d) to allow for the appointment of additional non-executive Directors.

It is noted that the total aggregate fees payable to non-executive Directors has not been increased since 29 October 2009.

Listing Rule 10.17 and Rule 40.4 of the Constitution require Shareholders to approve an increase in the total aggregate amount of Directors' fees payable to non-executive Directors. The requirement for Shareholder approval does not apply to the remuneration of an executive Director.

The total aggregate amount of fees payable to non-executive Directors includes superannuation contributions made for the benefit of non-executive Directors and any fees that a non-executive Director chooses to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses incurred by a Director in connection with the business of the Company, or securities issued to a non-executive Director under the Listing Rules.

Total fees paid to the non-executive Directors during the financial year ended 28 February 2018 amounted to \$76,000.

## **7.2 Information required under the Listing Rules**

Listing Rule 10.17 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The amount of the increase is \$100,000.
- (b) If this Resolution is passed, the maximum aggregate amount of fees that may be paid to all of the Company's non-executive Directors each year will be \$500,000.
- (c) No securities have been issued by the Company to non-executive Directors of the Company with the approval of Shareholders under either Listing Rules 10.11 or 10.14 within the past 3 years. If Resolution 4 is approved, a total of 10,650,530 Shares may

be issued under Listing Rule 10.11 to Mr Priyank Thapliyal, the Company's Chief Executive Officer and Executive Director.

### **7.3 Director's recommendation**

The non-executive Directors have an interest in this Resolution and do not make a recommendation to Shareholders. The Company's Chief Executive Officer and Executive Director, Mr Priyank Thapliyal recommends that Shareholders vote in favour of this Resolution.

### **7.4 Proxy voting restrictions**

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

## **8. Resolution 7: Approval of allowance for Mr Brian Gilbertson as Chairman**

### **8.1 Background**

Resolution 7 seeks approval to pay the Mr Brian Gilbertson a salary or allowance of up to \$70,000 per annum for his services as Chairman of the Company, which amount is in addition to his fees of \$60,000 per annum for his services as a non-executive Director.

### **8.2 Requirement of the Constitution**

Rule 40.6 of the Constitution provides that the approval of Shareholders in general meeting is required for the Directors to pay the Chairman of the Company a salary or allowance for his services as Chairman, where that salary or allowance is in addition to the amount of remuneration provided for the non-executive Directors, and is not attributable to consulting or other professional services.

If Resolution 7 is passed, Mr Brian Gilbertson will be entitled to an amount of \$70,000 in respect of his services as Chairman of the Company, in addition to his fees of \$60,000 as a non-executive Director and the amount of \$2,500 in respect of his services as a member of the Remuneration and Nomination Committee. As set out in Section 7.1 of this Explanatory Statement, the total amount payable by the Company to Mr Gilbertson in respect of his services as Non-Executive Chairman of the Company and his position on the Remuneration and Nomination Committee, will be \$132,500.

### **8.3 Corporations Act requirements**

Section 208 of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- (a) obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The payment of an allowance or salary to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Having considered the Company's circumstances and Mr Gilbertson's position as Chairman of the Company, the Board (other than Mr Gilbertson) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the payment to Mr Gilbertson of a salary or allowance of up to \$70,000 for his services as Chairman of the Company, as the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances. Accordingly, the Board (other than Mr Gilbertson) considers that the remuneration is reasonable for the purposes of the exception in section 211 of the Corporations Act.

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

All Directors, other than Mr Gilbertson, recommend that Shareholders vote in favour of this Resolution. Mr Gilbertson makes no recommendation in light of his personal interest in this Resolution.

#### **8.5 Proxy voting restrictions**

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this Resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this Resolution unless you have directed them how to vote.

### **9. Resolution 8: Adoption of New Constitution**

#### **9.1 Background**

The Company's current Constitution was adopted in 2003. Since that time, there have been a number of changes to provisions of both the Corporations Act and the Listing Rules that affect matters set out in the Constitution. Given the number of changes that would need to be made throughout the current Constitution, the Directors consider that it is more appropriate to adopt the New Constitution.

The New Constitution reflects a standard listed public company constitution and has updated definitions used to reflect current terminology in the Corporations Act, Listing Rules and ASX Settlement Operating Rules. A summary of the material terms of the New Constitution is set out in Schedule 1.

It is not practicable to list all of the differences between the current Constitution and the New Constitution in this Notice. However, of particular note is that the New Constitution will permit dividends to be paid in the discretion of the Directors and pursuant to the "assets test" set out in section 245T of the Corporations Act rather than solely out of profits as is the case pursuant to the current Constitution, and will not require final dividends to be both recommended by the Directors and approved by Shareholders in general meeting.

Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the New Constitution is available for review by Shareholders at the office of the Company and on the Company's website, [www.jupitermines.com](http://www.jupitermines.com). A copy of the New Constitution will also be tabled and available for inspection at the Meeting and a copy will be sent to those Shareholders that request a copy prior to the Meeting free of charge.

Adoption of the New Constitution will provide consistency between the Company's Constitution and the Corporations Act and Listing Rules.

## **9.2 Legal requirements**

Section 136(2) of the Corporations Act provides that a company may amend or repeal its constitution by special resolution of its shareholders.

A special resolution requires approval of at least 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).

## **9.3 Directors' recommendation**

All Directors recommend that Shareholders vote in favour of this Resolution.

# **10. Resolution 9: Approval of proportional takeover provisions in New Constitution**

## **10.1 Background**

As a part of the proposal to adopt the New Constitution pursuant to Resolution 8, it is intended to insert into the New Constitution the proposed Schedule 5 (as set out in Schedule 2 to this Explanatory Statement), which contains proportional takeover provisions.

In accordance with the requirements of section 648G(5) of the Corporations Act, the Company provides the information set out below.

## **10.2 What is a proportional takeover bid**

A proportional takeover bid is a takeover offer sent to all Shareholders in a particular class but only in respect of a proportion of each Shareholder's Shares. If a Shareholder accepts an offer under a proportional takeover bid, the Shareholder disposes of the specified proportion of their Shares and retains the balance.

## **10.3 Effect of the provisions to be adopted**

The provisions require the Directors to refuse to register any transfer of Shares made in acceptance of a proportional takeover offer until Shareholder approval has been obtained at a meeting of Shareholders held in accordance with the Constitution.

The meeting must be held at least 14 days before the day the offer under the proportional takeover bid closes.

A resolution for approval of a proportional takeover bid will be taken to have been passed if a majority of Shares voted at the meeting, excluding any Shares held by the bidder and its associates, vote in favour of the resolution. The Directors will breach the Corporations Act if they fail to ensure that an approving resolution is voted upon. However, if no resolution is voted on before the end of the 14<sup>th</sup> day before the close of the offer, the resolution will be deemed to have been passed.

Where the resolution approving the offer is passed, transfers of Shares resulting from acceptance of the offer will be registered provided they otherwise comply with the Corporations Act and other provisions of the Constitution.

If the resolution is not passed then in accordance with the Corporations Act, the offer will be deemed to be withdrawn and transfers that would have resulted from acceptance of the bid will not be registered.

The proportional takeover bid provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions. The provisions may be renewed but only by special resolution.

## **10.4 Reasons for adopting the provisions**

Without Schedule 5, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. If the provisions are not adopted, Shareholders could be at risk of passing control to a bidder without payment of an adequate control premium for all of their Shares whilst leaving themselves as part of a minority interest in the Company.

Schedule 5 protects Shareholders by providing that if a proportional takeover bid is made, Shareholders must vote on whether it should proceed.

The benefit of Schedule 5 is that it enables Shareholders to decide whether the proportional offer is acceptable in principle and appropriately priced.

## **10.5 Potential advantages and disadvantages for Directors and Shareholders**

The potential advantages of including proportional takeover provisions in the Constitution are that such provisions may:

- (a) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (b) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (c) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (d) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the bidder and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The potential disadvantages of including proportional takeover provisions in the Constitution include the following matters:

- (a) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (b) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other shareholders; and
- (c) a Shareholder may lack a sufficient financial interest in the Company to have an incentive to determine whether a proposal is appropriate.

## **10.6 No knowledge of present acquisition proposals**

As at the date on which this Explanatory Statement is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

## **10.7 Directors' recommendation**

All Directors recommend that Shareholders vote in favour of this Resolution.

## Glossary of Defined Terms

---

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

|  |  |
|--|--|
| <b>AEST</b>                              | Australian Eastern Standard Time, being the time in Sydney, New South Wales.   |
| <b>Annual Bonus</b>                      | Has the meaning given to that term in Section 6.5 of this Explanatory Statement.   |
| <b>Annual General Meeting or Meeting</b> | The annual general meeting of Shareholders or any adjournment thereof, convened by the Notice.   |
| <b>Annual Report</b>                     | The annual report of the Company for the financial year ended 28 February 2018, including the annual financial report, the Directors' report and the auditor's report.   |
| <b>ASIC</b>                              | The Australian Securities & Investments Commission.  |
| <b>Associate</b>                         | Has the meaning given to that term in the Listing Rules.   |
| <b>ASX</b>                               | ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.  |
| <b>A\$ or \$</b>                         | Australian dollars.  |
| <b>Board</b>                             | The Board of Directors of the Company.   |
| <b>Business Day</b>                      | Has the meaning given to it in the Listing Rules.  |
| <b>Chairman</b>                          | The chair of the Annual General Meeting.   |
| <b>Change in Control</b>                 | Occurs in relation to the Company when a person or entity that does not have Control of the Company as at the date of this agreement acquires Control of the Company, through the acquisition or holding of shares in the capital of the Company or otherwise.   |
| <b>Closely Related Party</b>             | Has same meaning given to it in section 9 of the Corporations Act, being, in relation to a member of Key Management Personnel: <ul style="list-style-type: none"><li>(a) a spouse or child of the member;</li><li>(b) a child of the member's spouse;</li><li>(c) a dependent of the member or the member's spouse;</li><li>(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li><li>(e) a company the member controls; or</li><li>(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) (currently none are prescribed).</li></ul> |
| <b>Company</b>                           | Jupiter Mines Limited (ACN 105 991 740).   |
| <b>Constitution</b>                      | The current constitution of the Company.   |
| <b>Control</b>                           | Has the meaning given in section 50AA of the Corporations Act.   |
| <b>Corporations Act</b>                  | The <i>Corporations Act 2001</i> (Cth).  |
| <b>Director</b>                          | A director of the Company.   |
| <b>Employment Agreement</b>              | The Executive Service Agreement between the Company and Mr Priyank Thapliyal dated 10 March 2018.  |
| <b>Equity Securities</b>                 | Has the meaning given to that term in the Listing Rules.   |



|   |  |
|---|--|
| <b>Explanatory Statement</b>                      | This explanatory statement which accompanies and forms part of the Notice.   |
| <b>Key Management Personnel</b>                   | Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons details of whose remuneration are included in the Remuneration Report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).                            |
| <b>Listing Rules</b>                              | The listing rules of ASX, as amended from time to time.  |
| <b>New Constitution</b>                           | Means the Company's proposed new constitution, being the subject of Resolution 8.  |
| <b>Notice or Notice of Annual General Meeting</b> | The notice of annual general meeting which accompanies this Explanatory Statement.   |
| <b>Prospectus</b>                                 | The replacement prospectus issued by the Company on 4 April 2018, a copy of which is available on the Company's website at <a href="https://www.jupitermines.com/investor-relations/announcements">https://www.jupitermines.com/investor-relations/announcements</a> .   |
| <b>Proxy Form</b>                                 | The proxy form accompanying the Notice.  |
| <b>Related Party</b>                              | Has the same meaning as given to that term in the Corporations Act.  |
| <b>Remuneration Report</b>                        | The remuneration report of the Company for the period ended 28 February 2018, appearing in the Director's report as set out in the Annual Report.  |
| <b>Resolution</b>                                 | A resolution set out in the Notice.  |
| <b>Section</b>                                    | A section of this Explanatory Statement.   |
| <b>Share</b>                                      | A fully paid ordinary share in the Company.  |
| <b>Share Registry</b>                             | The Company's share registry, being Link Market Services Limited (ACN 083 214 537).  |
| <b>Shareholder</b>                                | The holder of a Share.   |
| <b>Termination Entitlements</b>                   | A termination entitlement payable to Mr Priyank Thapliyal pursuant to the terms of the Employment Agreement, as described in Section 6.6 of this Explanatory Statement.  |
| <b>Trigger Event</b>                              | Means: <ul style="list-style-type: none"> <li>(a) a Change in Control of the Company; and</li> <li>(b) within 6 months of the Change of Control there is a change in Mr Thapliyal's title or position which is not agreed with Mr Thapliyal and which causes a material diminution of Mr Thapliyal's duties or decision making authority as chief executive officer of a public listed company.</li> </ul> |
| <b>Trigger Event Period</b>                       | The period of 30 days from the time that the event in paragraph (b) of the definition of Trigger Event occurs.   |

## **Schedule 1 – Key Terms of the Proposed New Constitution**

Set out below is a summary of the key terms of the proposed New Constitution of the Company, for which Shareholder approval is sought pursuant to Resolution 8. This summary is not intended to be exhaustive and does not constitute a definitive statement of all the rights, liabilities and obligations set out in the New Constitution.

### **Issue of Shares**

The issue of Shares and Options by the Company is under the control of the Directors, who may on any terms, at any time and for any consideration, allot and issue shares in the Company (**Shares**) (including preference shares) and grant Options over unissued Shares.

### **Transfer of Shares**

A Shareholder may transfer one or more Shares it holds by a proper ASX Settlement transfer or an instrument of transfer in compliance with the New Constitution. A Shareholder may also transfer Shares by any other method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules (together, the **Applicable Law**).

Except as permitted by the Listing Rules, a Shareholder must not dispose of restricted securities during the escrow period for these securities.

Subject to the ASX Settlement Operating Rules, a person transferring a Share remains the registered holder of that Share until the transfer for that Share is registered and the name of the transferee is entered in the register of Shareholders as the holder of that Share.

The Company must not fail or refuse to register a transfer of a Share except where permitted or required under the Applicable Law or under other limited circumstances as set out in the Constitution. The Company must not charge any fee for registering a transfer of Shares except as permitted by the Applicable Law.

The Company must issue to each Shareholder, in accordance with the Applicable Law, one certificate in respect of each class of Shares registered in the Shareholder's name.

However, the Directors may resolve that the Company will not issue certificates for Shares, or will cancel existing certificates for Shares without issuing a replacement certificate.

### **Reduction of capital and buy backs**

The Company may reduce its share capital and buy back Shares on any terms and at any time.

### **Disposal of less than a marketable parcel**

The Company may sell the Shares of a Shareholder if the Shareholder holds less than a marketable parcel of a particular class of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). To invoke this procedure, the Directors must first give written notice to the relevant Shareholder, who may then elect not to have his or her Shares sold by notifying the Directors.

### **Variation of class rights**

Class rights attaching to a particular class of Shares may be varied or cancelled by a special resolution of the Company and either the written consent of holders of at least 75% of the Shares in that class or a special resolution passed at a meeting of the holders of the Shares in that class.

## **Preference Shares**

The Corporations Act requires that certain rights of preference Shares must be set out in the Constitution of the Company or approved in general meeting by special resolution before preference Shares are issued.

The Constitution permits the Company to issue preference Shares including preference Shares that are redeemable in a manner permitted by the Corporations Act and preference Shares in accordance with particular terms set out in the Constitution.

The holder of a preference Share has the same rights as the holder of an ordinary Share in relation to receiving notices, reports and audited accounts and attending meetings of Shareholders, but has restricted voting rights.

## **Liens**

If the Company issues partly paid Shares and a call made on those Shares is unpaid, the Company will have a lien over those Shares. The Company may enforce the lien by selling those Shares.

## **Forfeiture of Shares**

The Company may forfeit and sell a Share of a Shareholder by a resolution of Directors if that Shareholder has failed to pay a call or instalment on that Share. The Directors must provide the Shareholder with written notice of the forfeiture.

## **Meeting of Shareholders**

Directors may call a meeting of Shareholders whenever they think fit (and one Director may do so, subject to the provisions of the Corporations Act). Shareholders may call a meeting as provided by the Corporations Act. The Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is two eligible voters.

## **Voting of Shareholders**

Resolutions of Shareholders are passed by simple majority and will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll, each eligible Shareholder has one vote for each fully paid Share held and a fraction of a vote for each partly paid Share determined by the amount paid up on that Share.

## **Proxies**

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on that Shareholder's behalf. The Constitution contains provisions specifying the form and manner of lodgement of proxy instruments. A Shareholder which is a corporation may appoint an individual to act as its representative.

## **Directors**

The minimum number of Directors is 3 and the maximum is 10, unless the maximum is changed by the Company in general meeting. The existing Directors and the Company in general meeting may appoint a new Director to fill a casual vacancy. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director). No Director other than the managing director may hold office later than the third annual general meeting after his or her appointment or election without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed Director must be received by the Company in a stipulated period prior to the meeting.

## **Powers of Directors**

The business of the Company is to be managed by or under the direction of the Directors.

## **Remuneration of Directors**

The total fees payable to non-executive Directors must not exceed the aggregate fixed sum determined by Shareholders in general meeting and must not be calculated as a commission on, or percentage of, profits or operating revenue.

The Directors must be paid all reasonable travelling and other expenses properly incurred in performance of their duties. The Constitution allows for retirement benefits to be paid to Directors.

The remuneration of executive Directors must not be calculated as a commission on, or percentage of, operating revenue.

## **Indemnity and insurance**

The Company, to the extent permitted by law, must indemnify each person who is or has been a Director or a company secretary of the Company against liabilities incurred by that person whilst acting in that capacity and against costs and expenses incurred by that person in defending an action for a liability that may be incurred by that person whilst acting in that capacity.

To the extent permitted by the law, the Company may also pay the premium in respect of any insurance policy for any person who is or has been a Director or a company secretary of the Company against liabilities incurred by that person whilst acting in that capacity.

## **Execution of documents**

In accordance with the Corporations Act, the execution of documents by the Company without the use of the Company's seal is permitted.

## **Dividends**

Dividends need not be paid out of profits, but may only be paid where the Company's assets exceed its liabilities by at least the amount of the dividend to be paid, where it is fair and reasonable to the Shareholders as a whole and where the payment of the dividend would not materially prejudice the Company's ability to pay its creditors.

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to Shares (such as preference Shares), dividends will be paid proportionately to the amounts paid up on the Shares. The Company is not required to pay any interest on dividends.

## **Winding up**

If the Company is wound up, any surplus assets and profits of the Company must be divided amongst the Shareholders in proportion to the amount credited as paid up on the Shares held by them, subject to any rights attaching to Shares which may in the future be issued with special or preferred rights.

## Schedule 2 – Terms of the Proposed Schedule 5 to the Proposed New Constitution

### 1. Application

- (a) This Schedule 5 will only apply to and form part of the Constitution if Shareholder approval of the proportional takeover provisions set out therein has been obtained in accordance with section 648G of the Corporations Act.
- (b) For the avoidance of doubt, if Shareholder approval has not been obtained as required under item 1(a) of this Schedule 5, this Schedule 5 will have no force or effect until such approval is obtained.

### 2. Definitions

In this Schedule 5, unless expressly stated otherwise:

**Approving Resolution** means a resolution to approve a proportional takeover bid in accordance with this Schedule 5.

**Deadline** means the 14<sup>th</sup> day before the last day of the bid period for a proportional takeover bid.

**Voter** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

### 3. Refusal of transfers

#### 3.1 Requirement for an Approving Resolution

- (a) The Company must refuse to register a transfer of securities giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule 5.
- (b) This Schedule 5 ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

#### 3.2 Voting on an Approving Resolution

- (a) Where offers are made under a proportional takeover bid, the Directors must call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph 3.2(a).
- (c) Subject to this Constitution, every Voter present at the meeting held under paragraph 3.2(a) is entitled to one vote for each security in the bid class that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule 5, to have been passed in accordance with this Schedule 5.



NAME SURNAME  
 ADDRESS LINE 1  
 ADDRESS LINE 2  
 ADDRESS LINE 3  
 ADDRESS LINE 4  
 ADDRESS LINE 5  
 ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Jupiter Mines Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00pm (AEST) on Tuesday, 10 July 2018 at Radisson Blu Plaza Sydney, 27 O'Connell Street, Sydney, New South Wales, 2000 (the Meeting) and any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5, 6 and 7: If the Chairman of the Meeting is your proxy, either appointed in default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an 'X'.

#### Resolutions

|  | For                      | Against                  | Abstain*                 |  | For                      | Against                  | Abstain*                 |
|--|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9 Approval of proportional takeover provisions in New Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Director Mr Paul Murray                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Re-election of Director Mr Andrew Bell                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Issue of IPO Bonus Shares to Director Mr Priyank Thadhyal            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of Variation Entitlements of a Director Mr Priyank Thadhyal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval to increase non-executive Director Fees                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Approval of Howard Mr Brian Robertson as Chairman                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Adoption of New Constitution   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

\* 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.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).