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## **PIONEER RESOURCES LIMITED**

**ACN 103 423 981**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME: 10:00am (WST)**

**DATE: Tuesday, 21 November 2017**

**PLACE: The Celtic Club, 48 Ord Street, West Perth, Western Australia**

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

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

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 19 November 2017.*



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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."*

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

**Voting Prohibition Statement:**

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

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

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

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DR ALLAN TRENCH

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

*"That, for the purpose of clause 7.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Allan Trench, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,073,075 Shares to International Lithium Corp. on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,406,807 Shares to Milford Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 75,357,142 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 735,662 Shares to International Lithium Corp. on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

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**8. RESOLUTION 7 – ISSUE OF SHARES TO RELATED PARTY – PARTICIPATION IN PLACEMENT – MR CRAIG MCGOWN**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 3,571,428 Shares to Mr Craig McGown (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Craig McGown (and his nominee) and any of their associates. 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.

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**9. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – PARTICIPATION IN PLACEMENT – MR DAVID CROOK**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,142,857 Shares to Mr David Crook (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr David Crook (and his nominee) and any of their associates. 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.

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**10. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – PARTICIPATION IN PLACEMENT – MR THOMAS WAYNE SPILSBURY**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,714,285 Shares to Mr Thomas Wayne Spilsbury (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Thomas Wayne Spilsbury (and his nominee) and any of their associates. 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.

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**11. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – PARTICIPATION IN PLACEMENT – DR ALLAN TRENCH**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,071,428 Shares to Dr Allan Trench (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Dr Allan Trench (and his nominee) and any of their associates. 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.

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**12. RESOLUTION 11 – ADOPTION OF PERFORMANCE RIGHTS PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Performance Rights Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**13. RESOLUTION 12 – ISSUE OF PERFORMANCE RIGHTS TO MR DAVID CROOK**

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

*“That, subject to the passing of Resolution 11, for the purposes section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 4,000,000 Performance*

*Rights as Director incentive remuneration to Mr David Crook (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 12 Excluded Party**). 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, provided the Chair is not a Resolution 12 Excluded Party, 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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#### 14. RESOLUTION 13 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Share Option Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 15. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY

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

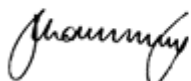
*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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

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**Dated: 11 October 2017**

**By order of the Board**



**JULIE WOLSELEY**  
**Company Secretary**

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### **Voting in person**

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

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### **Voting by proxy**

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

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

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

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

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

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 6974.**

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.pioneerresources.com.au/>.

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

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

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

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



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

## **2.3 Previous voting results**

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

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DR ALLAN TRENCH**

### **3.1 General**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

Clause 7.3(a) of the Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Dr Allan Trench, who has served as a director since 8 September 2003 and was last re-elected on 19 November 2014, retires by rotation and seeks re-election.

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

Dr Trench is a mineral economist, geophysicist and business management consultant with minerals experience including iron ore, nickel, copper, gold, lithium, oil & gas and also across a number of the minor metals markets. Dr Trench led nickel sulphide exploration teams for WMC Resources in the Widgiemooltha-Pioneer and Leinster-Mt Keith regions of WA in the mid 1990's. He has subsequently worked with McKinsey and Company, KCGM Pty Ltd, Woodside Energy and with the independent mining & metals analysis global consultancy CRU Group. He is presently a Professor of Practice at the Business School, University of Western Australia and is also a Research Professor (Risk & Value) at the Centre for Exploration Targeting, University of Western Australia.

Dr Trench also holds directorships in Enterprise Metals Limited, Emmerson Resources Limited and Hot Chili Ltd.

### **3.3 Independence**

If elected the Board considers Dr Trench will be an independent director.

### **3.4 Board recommendation**

The Board supports the re-election of Dr Trench and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTIONS 3 - 6 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **4.1 General**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month

period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues under Resolutions 3 to 6, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **4.2 Resolution 3 – Technical information required by ASX Listing Rule 7.4**

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 2,073,075 Shares (**Ratification**).

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 2,073,075 Shares were issued;
- (b) the deemed issue price was \$0.0185 per Share based upon the 10-day VWAP to 22 June 2017;
- (c) the Shares issued 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 International Lithium Corp, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued as part consideration for the first earn in consideration under the Mavis Lake Lithium Project Joint Venture Agreement as detailed in the Appendix 3B released by the Company on 19 July 2017.

#### **4.3 Resolution 4 – Technical information required by ASX Listing Rule 7.4**

On 14 July 2017, the Company issued 1,406,807 Shares to Milford Resources Pty Ltd in accordance with the Lithium Exploration Licence Application Agreement.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 1,406,807 Shares were issued;
- (b) the deemed issue price was \$0.0213 per Share based upon the 10-day VWAP prior to the grant date of the two exploration licenses;
- (c) the Shares issued 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 Milford Resources Pty Ltd, who is not a related party of the Company; and

- (e) no funds were raised from this issue as the Shares were issued in accordance with the terms of the Lithium Exploration Licence Application Agreement as detailed in the Appendix 3B released by the Company on 19 July 2017.

#### **4.4 Resolution 5 – Technical information required by ASX Listing Rule 7.4**

On 18 September 2017, the Company issued 75,357,142 Shares at an issue price of \$0.014 per Share to raise \$1,055,000 (before issue costs).

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 75,357,142 Shares were issued;
- (b) the issue price was \$0.014 per Share;
- (c) the Shares issued 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. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue (net of issue costs) will be used for:
  - (i) additional exploration and drilling for caesium and lithium at the Pioneer Dome Project;
  - (ii) incremental funding for the commercialisation of the Sinclair Caesium Zone;
  - (iii) exploration at the Company's other projects; and
  - (iv) general working capital.

#### **4.5 Resolution 6 – Technical information required by ASX Listing Rule 7.4**

On 18 September 2017, the Company issued 735,662 Shares to International Lithium Corp. in accordance with the Raleigh Lithium Project Joint Venture Agreement as announced on 13 July 2017.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 735,662 Shares were issued;
- (b) the deemed issue price was \$0.034 per Share;
- (c) the Shares issued 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 International Lithium Corp, who is not a related party of the Company; and

- (e) no funds were raised from this issue as the Shares were issued as part of the first earn in consideration under the Raleigh Agreement as detailed in the Appendix 3B released by the Company on 19 September 2017.

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## **5. RESOLUTIONS 7 TO 10 – ISSUE OF SHARES TO RELATED PARTY – PARTICIPATION IN PLACEMENT**

### **5.1 General**

Pursuant to Resolution 5 the Company is seeking Shareholder approval for the ratification of the issue of up to 75,357,142 Shares at an issue price of \$0.014 per Share to raise \$1,055,000 (**Capital Raising**).

Messrs McGown, Crook, Spilsbury and Trench (together the **Related Parties**) wish to also participate in the Capital Raising as announced on 14 September 2017. These Related Parties have submitted Application Forms and deposited a total of \$245,000 with the Company.

Resolutions 7 to 10 seek Shareholder approval for the issue of up to 17,499,998 Shares to the Related Parties (**Related Party Shares**), comprising:

- (a) 3,571,428 Shares to Mr Craig McGown (or his nominee);
- (b) 2,142,857 Shares to Mr David Crook (or his nominee);
- (c) 10,714,285 Shares to Mr Thomas Wayne Spilsbury (or his nominee); and
- (d) 1,071,428 Shares to Dr Allan Trench (or his nominee),

arising from the participation by the Related Parties in the Capital Raising (**Participation**).

### **5.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members 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.

The Participation will result in the issue of Shares which constitutes giving a financial benefit and Messrs McGown, Crook, Spilsbury and Trench are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors (other than Mr Craig McGown in relation to Resolution 7, Mr David Crook in relation to Resolution 8, Mr Thomas Wayne Spilsbury in relation to

Resolution 9 and Dr Allan Trench in relation to Resolution 10 who has a material personal interest in each respective Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Messrs McGown, Crook, Spilsbury and Trench on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

### 5.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Related Party Shares will be issued to the Related Parties (or their nominees);
- (b) the maximum number of Related Party Shares to be issued is 17,499,998, comprising of:
  - (i) 3,571,428 Related Party Shares to Mr Craig McGown;
  - (ii) 2,142,857 Related Party Shares to Mr David Crook;
  - (iii) 10,714,285 Related Party Shares to Mr Thomas Wayne Spilsbury; and
  - (iv) 1,071,428 Related Party Shares to Dr Allan Trench;
- (c) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.014 per Share, being the same as all other Shares issued under the Capital Raising;
- (e) the Related Party Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in section 4.4(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Shares to Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 6. RESOLUTION 11 – ADOPTION OF PERFORMANCE RIGHTS PLAN

Resolution 11 seeks Shareholders approval for the adoption of the employee incentive scheme titled Performance Rights Plan (**Performance Rights Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid

ordinary securities on issue at the commencement of that 12-month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 11 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

Shareholders should note that no Performance Rights have previously been issued under the Performance Rights Plan.

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Performance Rights under the Performance Rights Plan to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolution 12 for the issue of Performance Rights to Mr David Crook pursuant to the Performance Rights Plan.

The Performance Rights Plan is not intended to replace the Employee Share Options Plan the subject of Resolution 13.

A summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 1. In addition, a copy of the Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Performance Rights Plan can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 6974). Shareholders are invited to contact the Company if they have any queries or concerns.

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## **7. RESOLUTION 12 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – MR DAVID CROOK**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 4,000,000 Performance Rights under the Company's Performance Rights Plan (**Related Performance Rights**) to Mr David Crook (or his nominee) as an incentive on the terms and conditions set out below.

The Related Performance Rights will each convert into a Share for no consideration on exercise by Mr Crook once they have vested. The Related Performance Rights expire two years from the date of grant. The Related Performance Rights will be subject to Mr Crook remaining in continuous employment with the Company and to specified performance criteria (**Performance Criteria**) which must be satisfied over a specified period of time (**Performance Period**) before the Related Performance Rights can vest.

The Related Performance Rights will vest on satisfaction of the following performance hurdle conditions.

**Performance Hurdle Conditions**

The vesting of the Related Performance Rights are subject to the satisfaction of the following performance hurdle conditions.

The Board will have the unfettered and absolute right to determine and confirm whether vesting conditions have been met in respect of each and all tranches. In making its determination the Board will recognise the relevant tranche objective and have regard to mineral production, cost management, exploration success, business sustainability, safety, divestment and acquisition initiatives, as well as other proposals endorsed by the Board as part of its ongoing review of strategy.

<b>Tranche</b>	<b>Performance Hurdle Condition</b>	<b>Weighting</b>
1,000,000	The Company's TSR is greater than the TSR of 75% of Peer Companies over the period 1 January 2017 to 31 December 2018	25%
1,000,000	The identification of total pollucite/caesium mineral resources at the Pioneer Dome Project (inclusive of the March 2017 Sinclair mineral resource estimate) of greater than 20,000 tonnes containing > 10% Cs <sub>2</sub> O by 31 December 2018	25%
1,000,000	The Company generates a Sinclair Caesium Zone project net profit after tax equal to or greater than \$10 million by 31 December 2018	25%
1,000,000	A lithium mineral resource estimate being identified of at least 10 million tonnes containing > 1.2% Li <sub>2</sub> O by 31 December 2018	25%
<b>4,000,000</b>		<b>100%</b>

The performance shares will be issued based on a 10 day VWAP share price based on the 10 day period leading up to and including the day prior to the vesting/hurdle date being announced to ASX. However the deemed issue price will not be less than 2.5 cents per share. In the case of financial hurdles the VWAP period will be based upon the 10 day period leading up to the lodgment of audit/audit reviewed statutory accounts with ASX. Achievement of financial hurdles will be reviewed independently by the Company's auditors.

In the event that the applicable Performance Hurdle Conditions are not met within the indicated period, the relevant Related Performance Rights will not vest and as a result, no new Shares will be issued in respect of those Related Performance Rights.

"**TSR**" means the increase in the price of Shares on the ASX over the period 1 January 2017 to 31 December 2018, being the percentage change between the closing price of Shares immediately prior to 31 December 2018, and the closing price of Shares immediately prior to 1 January 2017.

**“Peer Companies”** means a group of approximately ten ASX listed companies as determined by the Board. The current group of Peer Companies is set out in the table below, however the Board has the discretion to adjust this group to take into account events that might occur during the period being reviewed, including takeovers, mergers or demergers or other changes of business.

Apollo Consolidated Ltd (AOP)	AusQuest Limited (AQD)	Alloy Resources Limited (AYR)	GBM Gold Ltd (GBM)
Genesis Minerals Limited (GMD)	Investigator Resources Limited (IVR)	Marindi Metals Ltd (MZN)	Sayona Mining Limited (SYA)
Tyranna Resources Limited (TYX)	West Wits Limited (WWI)		

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members 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.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to Mr David Crook.

## **7.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Shares to Mr David Crook:

- (a) Mr Crook is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Related Party Performance Rights to be issued is 4,000,000;
- (c) the Related Party Performance Rights will be issued Mr Crook no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);



- (d) the Related Party Performance Rights will be granted for nil cash consideration (and there is no vesting price payable on the vesting of Related Party Performance Rights to Shares), accordingly no funds will be raised on issue of the Related Party Performance Rights or the vesting into Shares;
- (e) a summary of the terms and conditions of the Related Party Performance Rights is set out in Schedule 2;
- (f) the financial benefits will be the market value of the Shares issued to Mr Crook on vesting of such benefits. However, as an indication of value using the Share price of the Company of \$0.017 as at 6 October 2017 and given the first tranche of 1,000,000 Related Party Performance Rights is market based (with a 50% discount factor applied) and the remaining 3,000,000 Related Party Performance Rights are not market based, adopting the Share price of \$0.017 the estimated value of the financial benefit to Mr Crook will total \$59,500;
- (g) the relevant interests of the Mr Crook in securities of the Company as at the date of this Notice are set out below:

<b>Related Party</b>	<b>Shares</b>	<b>Options (Listed – P100)</b>	<b>Options (Unlisted)</b>
Mr David Crook <sup>1</sup>	9,922,910	138,888 <sup>2</sup>	9,500,000 <sup>3</sup>

<sup>1</sup> The Securities are held by Jennifer Anne Crook and DJ Crook & JA Crook <Parkway Superannuation Fund A/C>.

<sup>2</sup> The Listed Options are exercisable at \$0.06 each on or before 31 July 2018.

<sup>3</sup> The Unlisted Options comprise: 2,500,000 Options exercisable at \$0.026 each on or before 30 April 2018, 2,500,000 Options exercisable at \$0.05 each on or before 30 April 2018, 2,500,000 Options exercisable at \$0.075 each on or before 30 April 2018 and 2,000,000 Options exercisable at \$0.06 each on or before 31 July 2018.

- (h) the amounts paid from the Company to Mr Crook for the previous two financial years are set out below:

<b>Related Party</b>	<b>Proposed remuneration for Current Financial Year</b>	<b>Financial Year ending 30 June 2017</b>	<b>Financial Year ending 30 June 2016</b>
Mr Crook	\$428,707 <sup>1</sup>	\$407,464 <sup>2</sup>	\$309,066 <sup>3</sup>

<sup>1</sup> This figure consists of a \$328,707 cash based payment and a \$100,000 share based payment assuming a minimum deemed issue price of \$0.025 per Share which may arise if Shares are issued arising from the 4,000,000 Related Party Performance Rights.

<sup>2</sup> This figure consists of a \$380,404 cash based payment and a \$27,060 share based payment.

<sup>3</sup> This figure consists of a \$309,066 cash based payment.

- (i) if all the Related Part Performance Rights granted to Mr Crook are exercised, a total of 4,000,000 Shares would be issued. This would increase the number of Shares on issue from 1,117,305,014 to 1,121,305,014 (assuming that no other Options are exercised and no other Shares are issued as at the date of this Notice) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.36%;
- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
<b>Highest</b>	2.9	12 and 13 February 2017
<b>Lowest</b>	1.4	25, 28, 29 September 2017
<b>Last</b>	1.7	10 October 2017

- (k) the primary purpose of the grant of the Related Party Performance Rights to Mr Crook is to provide a performance linked incentive component in the remuneration package for Mr Crook to motivate and reward his performance in his role as Managing Director;
- (l) Mr David Crook declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution;
- (m) Dr Allan Trench, Mr Craig McGown and Mr Thomas Wayne Spilsbury recommend that Shareholders vote in favour of Resolution 12 for the following reasons:
- (i) the grant of Related Party Performance Rights to Mr David Crook will align his interests with those of Shareholders;
  - (ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Crook; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights upon the terms proposed;
- (n) in forming their recommendations, each Director considered the experience of Mr Crook, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be granted; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 12.

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## 8. RESOLUTION 13 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

Resolution 13 seeks Shareholders approval for the adoption of the employee incentive scheme titled the Employee Share Option Plan (**ESOP**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

The Employee Share Option Plan was previously approved by Shareholders on 19 November 2014 (**Last Approval**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month

period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to issue Options under the ESOP to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

There has been 3,500,000 Options issued under the ESOP since the Last Approval.

The objective of the ESOP is to recognise the ability and efforts of the Directors and employees of the Company who have contributed to the success of the Company, provide an incentive to Directors and employees to achieve long term objectives of and improve the performance of the Company, attract persons of experience and ability to the Company and foster and promote loyalty between the Company and its Directors and employees, provide an incentive to employees of the Company to work toward achieving the Company's long term objectives and thereby enhance the value and financial performance of the Company.

Any future issues of Options under the ESOP to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the ESOP is set out in Schedule 3. In addition, a copy of the ESOP is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the ESOP can also be sent to Shareholders upon request to the Company Secretary (+61 8 9322 6974). Shareholders are invited to contact the Company if they have any queries or concerns.

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## **9. RESOLUTION 14 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **9.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of

\$19,285,613.77 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 October 2017).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: PIO) and Options (ASX Code: PIOO) and five classes of unquoted Options on issue.

If Shareholders approve Resolution 14, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 14 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 14 for it to be passed.

## **9.2 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 14:

### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.2(a)(i), the date on which the Equity Securities are issued.

### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 14 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 27 September 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0085 50% decrease in Issue Price	0.017 Issue Price	0.0255 50% increase in Issue Price
1,134,805,012 (Current Variable A)	Shares issued - 10% voting dilution	113,480,501 Shares	113,480,501 Shares	113,480,501 Shares
	Funds raised	\$964,584.26	\$1,929,168.52	\$2,893,752.78
1,702,207,518 (50% increase in Variable A)	Shares issued - 10% voting dilution	170,220,752 Shares	170,220,752 Shares	170,220,752 Shares
	Funds raised	\$1,446,876.39	\$2,893,752.78	\$4,340,629.18
2,269,610,024 (100% increase in Variable A)	Shares issued - 10% voting dilution	226,961,002 Shares	226,961,002 Shares	226,961,002 Shares
	Funds raised	\$1,929,168.52	\$3,858,337.03	\$5,787,505.55

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

**The table above uses the following assumptions:**

- There are currently 1,134,805,012 Shares on issue comprising:
  - 1,117,305,014 existing Shares as at the date of this Notice of Meeting; and
  - 17,499,998 Shares which will be issued if Resolutions 7 to 10 are passed at this Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 10 October 2017.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for continued exploration at the Company's multi-commodity tenement portfolio and/or general working capital. In addition, the Company may in future choose to evaluate new project opportunities or investments and may use the funds raised for a resulting acquisition of new assets and/or investments (including expenses associated with such acquisition); or
- (ii) as non-cash consideration for the acquisition of new resource assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

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

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

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

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2016 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, being on and from 21 November 2016, the Company otherwise issued a total of 79,572,686 Shares which represents approximately 7.00% of the total diluted number of Equity Securities on issue in the Company on 21 November 2016, which was 1,137,342,397.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 4.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

### **9.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 14.



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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 9.1

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

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

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

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

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

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

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (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;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Pioneer Resources Limited (ACN 103 423 981).

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

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

**Directors** means the current directors of the Company.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

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

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

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017 as lodged with ASX on 28 September 2017.

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

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

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

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

**Variable A** means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

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

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## SCHEDULE 1 – SUMMARY OF EMPLOYEE PERFORMANCE RIGHTS PLAN

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The following is a summary of the key terms and conditions of the Performance Rights Plan to be adopted by the Company.

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
  - (ii) a full or part time employee of any Group Company;
  - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**) or as otherwise permitted by the Board in its sole discretion; or
  - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii) or (iii) above,  
  
who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Performance Rights; or
  - (ii) a Change of Control occurring; or
  - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of a Performance right:** A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in the Performance Right;
  - (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Performance Right in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iii) in respect of unvested Performance Rights only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - (iv) in respect of vested Performance Rights only, a relevant person ceases to be an Eligible Participant and the Performance Right granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
  - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
  - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Performance Right;
  - (vii) the expiry date of the Performance Right.
- (h) **Not transferrable:** Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the exercise of the Performance Rights shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Performance Rights issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date

the Shares are issued and the date any restriction period applying to the disposal of Shares ends.

- (k) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights up to a maximum of seven (7) years from the grant date of the Performance Rights. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (m) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Performance Rights and subject to compliance with the ASX Listing Rules, a Performance Right does not confer the right to a change in exercise price or in the number of underlying Shares over which the Performance Right can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan including giving any amendment retrospective effect.
- (p) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Performance Rights, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Performance Rights Plan to effect the establishment of such a trust and the appointment of such a trustee.

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## SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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The terms and conditions of the Performance Rights to be issued under the Plan are summarised below.

### **Rights attaching to the Performance Rights**

- (a) **(Entitlement)** Subject to any adjustment required by paragraph (l), each Performance Right entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the Performance Hurdle (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Performance Rights Plan)** Each Performance Right is issued subject to the rules of the Company's Performance Rights Plan (**Plan**).
- (c) **(Notice of satisfaction of Performance Hurdle)** The Company shall give written notice to the Holder promptly following satisfaction of a Performance Hurdle (defined below) or lapse of a Performance Right where the Performance Hurdle is not satisfied or such other circumstances contemplated by the rules of the Plan (**Plan Rules**).
- (d) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (e) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (f) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (g) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (h) **(Not transferable)** A Performance Right is not transferable except in accordance with the Plan Rules.
- (i) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the *Corporations Act 2001 (Cth)* at the time of reorganisation.
- (j) **(Application to ASX)** The Performance Rights will not be quoted on the Australian Securities Exchange (**ASX**). However, if the Company is listed on ASX at the time of conversion of the Performance Rights into Shares, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (k) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (l) **(Adjustment for bonus issue)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities

which the Holder would have received if the Holder had converted the Performance Right before the record date for the bonus issue.

- (m) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### **Conversion of the Performance Rights**

- (a) **(Performance Hurdle)** Each Performance Right in the relevant class will be able to be converted into one Share by a Holder (subject to any adjustment required by paragraph (l)) upon satisfaction (or waiver of the Performance Hurdles in accordance with the Plan Rules) of:

The vesting of the Related Performance Rights are subject to the satisfaction of the following performance hurdle conditions.

The Board will have the unfettered and absolute right to determine and confirm whether vesting conditions have been met in respect of each and all tranches. In making its determination the Board will recognise the relevant tranche objective and have regard to mineral production, cost management, exploration success, business sustainability, safety, divestment and acquisition initiatives, as well as other proposals endorsed by the Board as part of its ongoing review of strategy.

<b>Tranche</b>	<b>Performance Hurdle Condition</b>	<b>Weighting</b>
1,000,000	The Company's TSR is greater than the TSR of 75% of Peer Companies over the period 1 January 2017 to 31 December 2018	25%
1,000,000	The identification of total pollucite/caesium mineral resources at the Pioneer Dome Project (inclusive of the March 2017 Sinclair mineral resource estimate) of greater than 20,000 tonnes containing > 10% Cs <sub>2</sub> O by 31 December 2018	25%
1,000,000	The Company generates a Sinclair Caesium Zone project net profit after tax equal to or greater than \$10 million by 31 December 2018	25%
1,000,000	A lithium mineral resource estimate being identified of at least 10 million tonnes containing > 1.2% Li <sub>2</sub> O by 31 December 2018	25%
<b>4,000,000</b>		<b>100%</b>

The performance shares will be issued based on a 10 day VWAP share price based on the 10 day period leading up to and including the day prior to the vesting/hurdle date being announced to ASX. However the deemed issue price will not be less than 2.5 cents per share. In the case of financial hurdles the VWAP period will be based upon the 10 day period leading up to the lodgment of audit/audit reviewed statutory accounts with ASX. Achievement of financial hurdles will be reviewed independently by the Company's auditors.

In the event that the applicable Performance Hurdle Conditions are not met within the indicated period, the relevant Related Performance Rights will not vest

and as a result, no new Shares will be issued in respect of those Related Performance Rights.

“**TSR**” means the increase in the price of Shares on the ASX over the period 1 January 2017 to 31 December 2018, being the percentage change between the closing price of Shares immediately prior to 31 December 2018, and the closing price of Shares prior to 1 January 2017.

“**Peer Companies**” means a group of approximately ten ASX listed companies as determined by the Board. The current group of Peer Companies is set out in the table below, however the Board has the discretion to adjust this group to take into account events that might occur during the period being reviewed, including takeovers, mergers or demergers or other changes of business.

Apollo Consolidated Ltd (AOP)	AusQuest Limited (AQD)	Alloy Resources Limited (AYR)	GBM Gold Ltd (GBM)
Genesis Minerals Limited (GMD)	Investigator Resources Limited (IVR)	Marindi Metals Ltd (MZN)	Sayona Mining Limited (SYA)
Tyranna Resources Limited (TYX)	West Wits Limited (WWI)		

- (b) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company **(Conversion Notice)** prior to the date that is five years from the date of issue of the Performance Right or such other date required by the Plan Rules. No payment is required to be made for conversion of a Performance Right to a Share.
- (c) **(Lapse)** If the Performance Hurdle is not achieved by the specified date, or the Conversion Notice not given to the Company by the specified date or such other date required by the Plan Rules, then the relevant Performance Right will automatically lapse.
- (d) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right under paragraph (a) would result in any person being in contravention of section 606(1) of the Corporations Act **(General Prohibition)** then the conversion of that Performance Right shall be deferred until such later time or times (but no later than 5 years from the date of issue of such Performance Right) that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
- (i) Upon receipt of a Conversion Notice, the Company is entitled to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
  - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide confirmation of that a Conversion Notice will not result in a contravention of the General Prohibition within seven days if the Company considers that such a contravention is possible. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.



- (e) **(Issue of Shares)** The Company will issue the Share on conversion of a Performance Right within 10 Business Days following the conversion or such other period required by the ASX Listing Rules.
- (f) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Right within 10 Business Days following the issue of the Share.
- (g) **(Ranking upon conversion)** The Share into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

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**SCHEDULE 3 - SUMMARY OF THE EMPLOYEE SHARE OPTION PLAN**

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**1. Purpose of the Plan**

The purpose of the Employee Share Option Plan (**Plan**) is to:

- (a) provide Eligible Persons with an additional incentive to work to improve the performance of the Company;
- (b) attract and retain Eligible Persons essential for the continued growth and development of the Company;
- (c) promote and fostering loyalty and support amongst Eligible Persons for the benefit of the Company; and
- (d) enhance the relationship between the Company and Eligible Persons for the long term mutual benefit of all parties.

**2. Establishment and Termination of the Plan**

- (a) The Board administers the Plan in accordance with the terms and conditions set out in the Plan and subject to any restrictions imposed from time to time by the ASX under the ASX Listing Rules or by ASIC under the Corporations Act.
- (b) The Board may terminate the Plan, or suspend its operations for any period it considers desirable, at any time that it considers appropriate.

**3. Number of Options to be Issued**

The Company shall not offer or issue Options to any Eligible Person in accordance with Plan if the total number of Shares the subject of the Options, exceeds the limit set by a Class Order of ASIC (eg Class Order 03/184 or any replacement) or does not otherwise comply with the terms of a relevant Class Order.

**4. Offer of Options**

- (a) Subject to the Plan Rules and to the ASX Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Persons at such times and on such terms as the Board considers appropriate. Each offer must states or include: -
  - (i) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
  - (ii) the Exercise Price of the Options;
  - (iii) the period within which the offer may be accepted;
  - (iv) a copy of the Plan;
  - (v) an undertaking to provide the Eligible Person with verbal advice of the current market price of the Shares within two Business Days of request made by the Eligible Person at any time prior to the Expiry Date;

- (vi) confirmation that the offer document has been or will be provided to ASIC within seven days after the provision of this material to the Eligible Person; and
  - (vii) any other matters which the Board may determine.
- (b) Upon receipt of an offer of Option, an Eligible Person may, within the period specified in the offer:
- (i) accept the whole or lesser number of Options offered by notice in writing to the Board; or
  - (ii) nominate a nominee in whose favour the Eligible Person wishes to renounce the offer by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow such renunciation of an offer in favour of a nominee without giving any reason for such decision.

## **5. Exercise of Options**

- (a) An Option must be exercised (if at all) not later than its Expiry Date and, and may only be exercised at any time after the option has been vested and before its Expiry Date. The Board may determine (in its absolute discretion) any further conditions of exercise consistent with these Rules that apply to an Option. The exercise of some Options only does not affect the Participant's right to exercise other Options at a later time. If the Eligible Person exercises less than all Options represented by the certificate then the Company will cancel the certificate and issue a new certificate for the balance. The Board will from time to time determine the time periods after which the Options issued will vest and the percentage of Options issued which will vest at each particular time.
- (b) Options may be exercised:
- (i) during an Offer Period; or
  - (ii) at any time after a Change of Control Event has occurred; or
  - (iii) at any time after the announcement of a proposed reorganisation of capital.
- (c) Options not exercised on or before the Expiry Date will automatically lapse.
- (d) Options may only be exercised by notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
- (i) the Exercise Price for the number of Options specified in the notice; and
  - (ii) the certificate for those Options, for cancellation by the Company.

## 6. Shares Allotted on Exercise of Options

All Shares allotted upon exercise of Options rank pari passu in all respects with Shares previously issued and, in particular, entitle the Holders to participate fully in:

- (a) dividends declared by the Company after the date of allotment; and
- (b) all issues of securities made or offered pro rata to holders of Shares.

## 7. Ceasing to be an Eligible Person

- (a) Subject to ASX Listing Rule 6.12, Options issued pursuant to the Plan will be allotted on the condition that the whole of the Options issued to an Eligible Person automatically lapse and are forfeited if the Eligible Person is dismissed from employment with the Company for any one or more of the following reasons (or voluntarily resigns in circumstances where the Board believes the Eligible Person conducted him or herself as specified in 7(a)(i) to (v) below):
  - (i) wilful misconduct bringing disrepute on the Company or Associate Company;
  - (ii) repeated disobedience, after prior written warning;
  - (iii) incompetence in the performance of duties for which the Eligible Person was employed, after prior written warning;
  - (iv) fraud or any other dishonesty in respect of the property or affairs of the Company or Associate Company; or
  - (v) any other reason, based on which the Directors believe is fair and reasonable to warrant the lapsing and forfeiture of the Options.
- (b) Unless otherwise determined by the Board in their absolute discretion, if an Eligible Person voluntarily resigns from employment with the Company otherwise than to take up employment with an Associate Company or a role which the Board considers to be such that it would qualify the Eligible Person to retain the Options, or ceases to be an Eligible person on account of Retirement, Permanent Disability, Redundancy or death the whole of the Options issued to that Eligible Person automatically lapse and are forfeited if that Eligible Person or if appropriate, his Permitted Nominee, fails to exercise any or all of those Options within a period of three (3) months from the date provided in the certificate issued.
- (c) If at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's legal personal representative may:
  - (i) elect to be registered as the new Holder of the deceased Holder's Options;
  - (ii) whether or not he becomes so registered, exercise those Options as if he were the holder of them in accordance with these Rules; and

- (iii) if the deceased Holder had already given the Company a notice of exercise of his Options, pay the Exercise Price in respect of those options.

## **8. Entitlement to participate in Future Issues**

- (a) Holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlement to the issue. The Company must give at least nine Business Days' notice to the Holder of any new issue before the record date for determining entitlement to the issue or otherwise notice in accordance with the Listing Rules.
- (b) If there is a bonus share issue (**Bonus Issue**) to the holders of Share, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profit or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- (c) There will be no change to the exercise price of an Option of the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than a Bonus Issue).
- (d) If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, Options will be reorganised in accordance with the ASX Listing Rules.

## **9. Exercise Price of Options**

Subject to the ASX Listing Rules requiring the Company to set a certain minimum price for the exercise of an option, the Exercise Price of each Option will be determined by the Board in its absolute discretion.

## **10. Amendments to the Rules**

The Board may alter, delete or add to the Plan Rules at any time but, where the Company is admitted to the Official List of ASX, its resolution to do so has no effect unless the requirements of the ASX Listing Rules in relation to the alteration, deletion or addition have been complied with.

## SCHEDULE 4 – ISSUES OF EQUITY SECURITIES SINCE 21 NOVEMBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>1</sup>	Form of consideration
Issue – 18 September 2017  Appendix 3B – 19 September 2017	75,357,142	Shares <sup>2</sup>	Institutional and sophisticated investors who participated in the capital raising conducted by the Company	\$0.014 per Share (representing a 6.67% discount to Market Price)	Cash  Amount raised = \$1,055,000  Amount spent = \$Nil  Use of funds: additional exploration and drilling for caesium and lithium at the Pioneer Dome Project, incremental funding for commercialisation of the Sinclair Caesium Zone, exploration at the Company's other projects and general working capital.  Amount remaining = \$1,055,000.  Proposed use of remaining funds <sup>4</sup>
	735,662	Shares <sup>2</sup>	International Lithium Corp	No issue price (non-cash consideration)	Non-cash  Consideration: part consideration for the first earn in payment pursuant to the Raleigh Agreement  Current value <sup>6</sup> = \$12,506
Issue – 14 July 2017  Appendix 3B – 18 July 2017	2,073,075	Shares <sup>2</sup>	International Lithium Corp	No issue price (non-cash consideration)	Non-cash  Consideration: part consideration for the first earn in payment pursuant to the Mavis Agreement  Current value <sup>5</sup> = \$35,242
	1,406,807	Shares <sup>2</sup>	Milford Resources Pty Ltd	No issue price (non-cash consideration)	Non-cash  Consideration: For the grant of two exploration licences under the Lithium Exploration Licence Applications Agreement.  Current value <sup>5</sup> = \$23,916

### Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: PIO (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.017) as the context requires on the ASX on 10 October 2017.



# PIONEER RESOURCES LIMITED

ACN: 103 423 981

REGISTERED OFFICE:  
21 ORD STREET  
WEST PERTH WA 6005



**ALL ENQUIRIES TO:**  
Pioneer Resources Limited  
PO BOX 1787  
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AUSTRALIA  
T: +61 8 9322 6974  
F: +61 8 9486 9393  
E: pioneer@pioresources.com.au

Code:

PIO

Holder Number:

## PROXY FORM

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

### SECTION A: Appointment of Proxy

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

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Tuesday 21 November 2017 at The Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment of that meeting.

### SECTION B: Voting Directions

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

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 11, 12 and 13 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 11, 12 and 13 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

RESOLUTION	For	Against	Abstain*		For	Against	Abstain*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Shares to related party - Mr Thomas Wayne Spilsbury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director - Dr Allan Trench	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Issue of Shares to related party - Dr Allan Trench	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of prior issue – Shares to International Lithium Corp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of prior issue – Shares to Milford Resources Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Performance Rights to Mr David Crook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of prior Issue – Shares re: placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ratification of prior issue – Shares to International Lithium Corp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Shares to related party - Mr Craig McGown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8. Issue of Shares to related party - Mr David Crook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

### SECTION C: Signature of Security Holder(s)

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

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Pioneer Resources Limited no later than 10:00am WST on Sunday 19 November 2017.

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PIO

PIOPX1211117





My/Our contact details in case of enquiries are:

Name:

Number:

(  )

### 1. NAME AND ADDRESS

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

### 2. APPOINTMENT OF A PROXY

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

### 3. DIRECTING YOUR PROXY HOW TO VOTE

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

### 4. APPOINTMENT OF A SECOND PROXY

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

To appoint a second Proxy you must:

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

### 5. SIGNING INSTRUCTIONS

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

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

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

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

### 6. LODGEMENT OF PROXY

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

#### Pioneer Resources Limited

**Postal Address** PO Box 1787  
West Perth WA 6872

**Street Address** 21 Ord Street  
West Perth WA

**Facsimile** +61 8 9486 9393

**Email** pioneer@pioresources.com.au

### PRIVACY STATEMENT

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

